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Japan

Japan: Official Reports on Talks With U.S. on Base Issue

*OW1502080496 Tokyo KYODO in English
0725 GMT 15 Feb 96*

[FBIS Transcribed Text] Tokyo, Feb. 15 KYODO — Japan and the United States reaffirmed the need Thursday to resolve as quickly as possible noise and other problems related to the U.S. military presence in Okinawa Prefecture, a Foreign Ministry official said.

The two parties made the reaffirmation at the second meeting of a working group under a special bilateral committee on U.S. bases in the prefecture, about 1,600 kilometers southwest of Tokyo, the official told reporters.

They agreed in particular to try to settle as many problems as possible in March, prior to U.S. President Bill Clinton's state visit to Japan in April, during which Tokyo and Washington are scheduled to reinforce the importance of the bilateral security alliance.

To achieve this, the two sides will hold the third working group meeting possibly late this month and accelerate talks on the base-related problems further, the official said.

The presence of U.S. forces in Japan has been called into question since the rape of a local schoolgirl in Okinawa last September, for which three American servicemen are on trial.

Okinawa accounts for only 0.6 percent of Japan's total land area but is host to about 75 percent of U.S. military facilities in Japan in terms of land area. Some 30,000 of the 47,000 U.S. troops in Japan are stationed there.

Meanwhile, the Naha branch of the Okinawa High Court decided Thursday [14 February] to postpone the scheduled questioning of Okinawa Gov. Masahide Ota from Feb. 23 to March 11 about a lawsuit filed by the government against him on the use of land in Okinawa by the U.S. military.

Ota has been in a court battle with the central government since December when then Prime Minister Tomiichi Murayama sought a court order forcing Ota to sign documents needed for the continued forced rental of land by landowners who are opposed to the U.S. bases.

The central government has been eager to finish all court proceedings by the end of March when one of the leasing contracts expires.

Japan: Hashimoto Urged To Discuss Base Issue With Clinton

*OW1402134496 Tokyo KYODO in English
1313 GMT 14 Feb 96*

[FBIS Transcribed Text] Tokyo, Feb. 14 KYODO — A ruling coalition fact-finding mission returned home Wednesday [14 February] from Washington, convinced that Japan needs to actively pursue talks with the United States over U.S. military bases on Okinawa.

In a meeting with Prime Minister Ryutaro Hashimoto, former Foreign Minister Taro Nakayama, who led the group, advised the premier to seek U.S. cooperation on the Okinawa issue from President Bill Clinton during their Feb. 23 summit meeting in Santa Monica, California.

The U.S. promised to make efforts to help settle the issue of concentrating U.S. bases on Okinawa and Japan should actively participate in talks with the U.S., Nakayama, a Liberal Democratic Party member, said afterwards at a press conference.

The U.S. wants to maintain 47,000 troops in Japan so long as the situation surrounding northeastern Asia remains unchanged, he said.

The issue of U.S. bases on Okinawa erupted into a major political and security issue after the abduction and rape of a 12-year-old Okinawan schoolgirl last September, for which three U.S. servicemen are now on trial.

Japan: Relation Between China's 'Military Buildup,' USFJ Viewed

OW1502073596 Tokyo MAINICHI SHIMBUN in Japanese 14 Feb 96 Morning Edition p 6

[By Hiroshi Komatsu]

[FBIS Translated Text] At a working group meeting for preparation of a Japan-U.S. joint statement on security, which will be announced in April when President Clinton comes to Japan, the United States demanded that a reference be made to China's gloomy intention to modernize its military and instability in [China's] neighboring countries. Being concerned about possible opposition from China, Japan is trying to use indirect expressions by merely saying that "we support the reform and open-door line." Both countries are having a hard time coordinating opinions.

Anthony Lake, assistant to the President for national security affairs, came from Washington early this month to exchange opinions with Japanese government officials on situation in the Asia-Pacific region. At a news conference, Lake commented on the Chinese military's recent movement and stressed: "It is neither a sign of crisis nor imminent aggression." "By all means, we are not in a situation, in which (the U.S.) military response is needed." Regarding a report that China is planning to buy an aircraft carrier from Spain, Lake said positively: "I do not think that China's possession of an aircraft carrier will have any kind of immediate impact [on us]."

However, it is obvious that the United States is worried that countries in the Asia-Pacific region may start arms race and a balance of power may collapse in the wake of China's military buildup. As a reason for the U.S. forces' presence in Japan, Lake cited the need to "prevent arms race in the Asia-Pacific region." Many people believe that a major objective of "redefining security" with the Japanese Government is to firmly establish the reason cited by Lake as a common understanding between the two countries.

However, some people in the United States are dissatisfied with Japan's understanding of China, saying that Japan is lacking in crisis awareness. The discord between Japan and the United States over the contents of the joint statement is one example of the dissatisfaction.

Moreover, the public opinion in the United States, with the Congress as a central figure, is increasingly becoming emotional and expressing an opposition to Chinese policies, including suppression on human rights and bluff diplomacy by using military exercises. Kent Calder, director of the Japan-U.S. Research Center at Princeton University, points out: "In the United States, the liberals and the democrats are cooperating with each other in assuming an anti-China stand."

On 7 February, President Clinton commented on the tension at the Taiwan Strait and expressed his hope for a calm settlement, saying: "The leaders of both sides are trying to find out measures aimed at settling the issue." However, there will be a major impact on U.S. allies, including Japan, should the Clinton administration be forced to adjust its China policies as it faces hard-line views toward China.

Japan: Hashimoto Wants Semiconductor Stance Explained to U.S.

*OW1502070296 Tokyo KYODO in English
0642 GMT 15 Feb 96*

[FBIS Transcribed Text] Tokyo, Feb. 15 KYODO — Prime Minister Ryutaro Hashimoto has told a top trade ministry official to explain to the United States Japan's stance toward the bilateral semiconductor agreement due to expire in July, the official said Thursday.

Vice International Trade and Industry Minister Tomio Tsutsumi told reporters he met with Hashimoto on Wednesday [14 February] to report on the regular bilateral trade session held in suburban Los Angeles last week for monitoring progress made under the chip accord.

After monitoring had ended, Washington unofficially urged Tokyo to renew and extend the accord beyond July. The Japanese side argued no extension is needed as foreign chips now control more than 20 percent of the Japanese market as envisaged in the pact.

"The premier understood the situation and asked me to offer explanation to the U.S. about Japan's position on the pact through different occasions," Tsutsumi said, adding, however, that Hashimoto gave no concrete directives.

Meanwhile, Tsutsumi said Trade Minister Shumpei Tsukahara arrived in Chiang Rai, northern Thailand, on Thursday morning to attend a meeting of 10 Asian economic ministers for discussing the possible agenda for the upcoming summit of Asian and European heads of state in Bangkok.

But Tsutsumi said he has not yet received a report on the ministerial meeting.

The Asia-Europe meeting summit slated for March 1-2 will gather leaders of 15 European Union member states as well as Japan, China, South Korea and the members of the Association of Southeast Asian Nations (ASEAN).

Japan: MOF Shows 'Reluctance' To Testify at Daiwa's U.S. Trial

*OW1502071096 Tokyo KYODO in English
0343 GMT 15 Feb 96*

[FBIS Transcribed Text] Tokyo, Feb. 15 KYODO — The Finance Ministry [MOF] indicated Thursday [15 February] its reluctance to accept a request by U.S. federal prosecutors to have ministry officials testify at a trial concerning a cover-up scandal involving huge bond trading losses at Daiwa Bank's New York branch.

The reaction came after the prosecutors have asked the New York federal district court to order some ministry officials to testify before the court as sworn witnesses.

"Although we have not been formally informed of the request, we will have to apply very cautious considerations to answer questions at a U.S. court about Japan's administrative actions," a ministry official said.

The official said, "we have disclosed all information on how the ministry has dealt with the Daiwa incident after it was informed of the incident by Daiwa Bank, and we explained this also to the U.S. financial authorities."

The U.S. prosecutors are seeking the testimony from ministry officials to clarify why the ministry delayed alerting the Federal Reserve Board for more than 40 days of Daiwa's trading loss after the bank informed the ministry on Aug. 8 of the loss, informed sources said.

The bank was expelled early this month from the United States over charges that its senior managers ordered a bond trader at its New York branch to continue hiding 1.1 billion dollars in trading losses through the middle of 1995.

Japan: MOFA Comments on London Dockland Bombing

OW1502104796 (Internet) Japan Ministry of Foreign Affairs [MOFA] WWW in English 10 Feb 96

["Statement by the Press Secretary on the Terrorist Bombing in the Dockland District in London" on 10 February 1996; from the "What's New!" link]

[FBIS Transcribed Text] 1. After 7 p.m. on February 9 in the U.K. (Japan time: after 4 a.m. on February 10), terrorist bombing occurred in the Dockland office district in the eastern part of London. No culprit has been identified so far, but regardless of who has committed this act and for what reason, Japan is firmly opposed to any acts of terrorism. This terrorist bombing is deplorable. 2. Maintaining its stance of hoping for a peaceful solution of the Northern Ireland problem, Japan has highly valued the efforts made by the governments of the U.K. and Ireland so far. Japan hopes that such efforts will not be interrupted by the terrorist bombing and will be continued by the parties concerned.

Japan: DA Chief Cautious Over PRC Military Exercise

OW1502102196 Tokyo SANKEI SHIMBUN in Japanese 12 Feb 96 Morning Edition p 2

[FBIS Translated Text] Defense Agency [DA] Director General Hideo Usui displayed caution regarding China's future moves at a news conference held at the Self-Defense Forces' Naha base on 11 February. Regarding the report that the People's Liberation Army will soon conduct military drills, Usui said, "Since China has conducted rocket and missile drills in the Taiwan Strait, we must continue to keep a close eye on its future move."

Then, the director general noted, "We have not obtained a report specifically mentioning China's plan to conduct an immediate large-scale military drill and its timing." However, he also pointed out, "Chinese leaders are saying they have not given up (China-Taiwan) unification by force."

In connection with the recent Chinese move, Usui added, "The United States has made diplomatic efforts in a favorable way." He cited the fact that the United States sent its ambassador to China to take office in this communist country — the post has been vacant for the past eight months. With this, the director general placed hopes on U.S. diplomatic efforts to ease tension in the Taiwan Strait.

Japan: Sources Say Economic Zone Approval Expected 20 Feb

OW1402142296 Tokyo KYODO in English 1351 GMT 14 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 14 KYODO — Prime Minister Ryutaro Hashimoto' cabinet will approve a plan next Tuesday [20 February] to set up a 200-nautical mile exclusive economic zone despite a worsening territorial row with South Korea, government sources said Wednesday.

The government and the three ruling parties — the Liberal Democratic Party (LDP), the Social Democratic Party and New Party Sakigake — hope to discuss with South Korea fishery and economic matters affected by the zone plan, but do not want to discuss at the same time a related bilateral territorial dispute, a senior LDP member said.

The two countries both claim a group of islets in the Sea of Japan known as Takeshima in Japan and Tokto in South Korea. The islets are located within 200 nautical miles from both countries.

Japan hopes to ratify the UN Convention on the Law of the Sea by the time the ongoing 150-day regular Diet session ends June 19.

The convention obliges signatory countries to respect a 200-nautical mile exclusive economic zone off a nation's coasts. Seoul ratified the pact late last year.

In addition to approving plans to establish the 200-nautical mile economic zone, the Tuesday regular cabinet meeting will set up a 12-nautical mile zone to prevent smuggling and illegal immigration and move to expedite discussions with South Korea and China for new fishery accords, the sources said.

The establishment of the economic zone also brings to issue a territorial row between China and Japan over Senkaku Islands in the East China Sea, called Diaoyu Islands in China. Beijing is expected to ratify the convention later this year.

The cabinet had planned to approve the 200-mile zone plan Friday, but postponed it for four days in the wake of vocal protests by South Korea.

In announcing the postponement, Chief Cabinet Secretary Seiroku Kajiyama told a press conference earlier in the day that arranging the timing among the three ruling parties for the cabinet approval would take more time.

Some LDP members say the government should take a tougher stand on the territorial dispute over the Takeshima islets.

A ruling coalition mission postponed a planned visit to South Korea from Feb. 11 after South Korean President Kim Yong-sam canceled his meeting with the group to protest Japan's renewed claims to the islets.

Japan: Farm Official Says Priority Given to Economic Sea Zone

OW1502102096 Tokyo KYODO in English 0907 GMT 15 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 15 KYODO — A senior official of the fisheries ministry said Thursday [15 February] the government will give priority to fishing operations over territorial disputes in the future application of a 200-nautical mile exclusive economic zone in line with the UN Convention on the Law of the Sea.

Japan should, if possible, separate fishery from territorial problems and secure an economic sea zone, Hirofumi Ueno, vice minister of Agriculture, Forestry and Fisheries, said at a press conference.

Ministry sources said Ueno's statement means that Japan should permit South Korea and other countries, with which it has territorial problems, to engage in fishing operations in its 200-mile zone and then settle the disputes through bilateral negotiations.

The ministry is planning to establish a fishing control system that will permit Japanese and foreign fishermen to operate in the zone under set catch limits, the sources said.

Japan: Government 'Representative' Matsunaga Visiting ROK

OW1502101396 Tokyo KYODO in English 0917 GMT 15 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 15 KYODO — A special government representative is visiting South Korea on Thursday [15 February] and Friday in the capacity of the head of a Foreign Ministry-affiliated Institute on International Affairs, a government spokesman said.

The visit by Nobuo Matsunaga, a former ambassador to the United States and the chief of the Japan Institution of International Affairs, is not carried out in the capacity of a government envoy nor is it a contact between the Japanese and South Korean governments, Chief Cabinet Secretary Seiroku Kajiyama said.

Kajiyama did not say whether Matsunaga aims to help break through the bilateral territorial row over a group of islets in the Sea of Japan, called Takeshima in Japan and Tokto in South Korea.

He said the visit had been planned for a long time.

Japan: Editorial Urges Government To Improve ROK Ties

OW1502143596 Tokyo MAINICHI SHIMBUN in Japanese 15 Feb 96 Morning Edition p 5

[Editorial: "Relations With Neighboring Countries and the Role of Politicians"]

[FBIS Translated Text] The dispute between Japan and South Korea over the Takeshima Islands, which consist of a reef in the Sea of Japan [called Tokto by the ROK], continues. Nothing is more important or difficult than relations with a neighboring country in international politics. A nation that is always engaged in confrontation or a dispute with a neighboring country will never be respected in the international community. In addition, leaders and politicians of such a state cannot be commended internationally.

Why does an international dispute occur? There is an argument that politicians' wrong understanding of and view of a foreign country is the cause. The current situation can be said to be a good example of the case where politicians' wrong understanding has developed into a confrontation between two countries.

The origin of the dispute is a report in South Korea on a plan for wharf construction on the Takeshima Islands. Some members of the ruling Liberal Democratic Party [LDP] strongly reacted: "Why does not the government lodge a protest as in the case of the northern territories?" Given the situation, Foreign Minister Yukihiko Ikeda was forced to indicate his intention "to protest to South Korea" at a news conference.

This indication of a "protest" has kindled the South Korean people's sentiments. Both Japan and South Korea have so far tried to avoid the situation in which the Takeshima issue would come to the fore as a territorial problem. For this reason, the two countries one-sidedly declared their sovereignty over the islands every time the issue was brought up at a cabinet or formal meeting, and thus confirmed the existence of the issue by "putting it on record." Furthermore, the Japanese Government had limited itself to indicating "regret."

It seems that hard-liners within the LDP, giving no consideration to these circumstances, are susceptible to an emotional argument that "South Korea is beyond endurance." However, if a nation is allowed to carry on diplomacy according to its emotions, politicians and leaders are not needed. Their roles and mission are to avoid a confrontation or dispute between nations. We would like to boldly point out that recent friction or confrontation between Japan and South Korea has been caused by Japanese politicians' ignorant and careless remarks and actions. The people would get into trouble if politicians make remarks affecting diplomacy under the impulse of personal sentiments such as likes and dislikes. Politicians should not be involved in Japan-ROK relations in the same way as they deal with domestic politics.

South Korean leaders' distrust of Japanese politicians has grown since Japan's rice aid to the DPRK (North Korea) in 1995. It is reported that the South Korean Government has cherished a grudge, feeling that it was made a fool of and was placed in an awkward situation by Japan's rice aid, which was provided to the DPRK without giving enough explanation to South Korea.

President Kim Yong-sam's surprise and distress at that time was beyond Japanese politicians' understanding. It is said that, in consequence, personal unpleasant feelings have been left between President Kim and the senior LDP members who proceeded with the rice aid program.

President Kim canceled a scheduled meeting with the ruling parties' mission to South Korea, including Taku Yamasaki, chairman of the LDP's Policy Research Council. It is possible that behind the cancellation was South Korean concern that the ruling parties' mission would try to use the meeting with the president as a pretext for visiting the DPRK.

Leaders and politicians in both Japan and South Korea should admit modestly the reality that politicians and leaders who are well versed in conditions of each other's country do not exist any more in the both countries. It was most foolish for Japan to overreact to the territorial issue at a time when the South Korean people are sensitive about political affairs with a general election set for April.

President Kim is seeking to globalize [sekaika] South Korea. To that end, maintaining favorable relations with Japan is indispensable. We would like the president to listen to those who know much about Japan and are able to give outspoken advice.

Japan also should not undermine Japan-ROK relations to win the confidence of Asian countries. A nation that is unable to maintain favorable relations with a neighboring nation will also not be able to win the confidence of the international community.

Japan: Report Urges Aid to Private Development

OW1502114196 (Internet) Japan Economic Foundation WWW in English

["Concerning Interim Report of Economic Cooperation Committee of Industrial Structure Council," attributed to the Economic Cooperation Division, International Trade Policy Bureau of the Ministry of International Trade and Industry, MITI, issued on 5 February; from the "What's New" link]

[FBIS Transcribed Text] Concerning Interim Report of Economic Cooperation Committee of Industrial Structure Council

February 5th, 1996 Economic Cooperation Division International Trade Policy Bureau, MITI

1. The Economic Cooperation Committee (Chairman: Yasuhiko Torii, President, Keio University) of the Industrial Structure Council, a consultative body for Shunpei Tsukahara, Minister of International Trade and Industry, published the Interim Report on February 5th which calls for the Government of Japan to assist private sector-led infrastructure development in developing countries through an international cooperation approach.

2. The Government of Japan has so far assisted economic infrastructure development in Asian developing countries through the provision of untied yen loans, greatly contributing to the economic development of many Asian countries in recent years. These untied aids have enabled many private enterprises in many countries to participate in the actual implementation process of development projects. It is believed that the economic growth of developing countries in Asia will continue and the demand for economic infrastructure development to support such growth is expected to increase more rapidly than ever. Under these circumstances, the Interim Report points out that many developing countries have begun to introduce foreign private capitals for domestic infrastructure development due to shortage of domestic funds in both the public and private sectors, the stagnancy of development aid from advanced countries and the limited scope of government borrowing because of fiscal difficulties, etc. The emphasis on the use of private capitals should prove advantageous for developing countries as it will enable them to import technologies and managerial know-how from advanced countries.

3. At present, more than 200 projects are planned to be implemented through applying to the private sector-led infrastructure development approach, including projects

which are still at the initial planning stage. A strong commitment to this approach is particularly noticeable in such countries as the Philippines, Thailand, China and Indonesia.

4. Private sector-led infrastructure development has its own disadvantages. According to the Interim Report, the healthy development of developing countries may suffer if those engaged in the relevant projects fail to pay proper attention to the need for stable and long-term supply of infrastructure services and other needs. Meanwhile, if the utility fees for an infrastructure service is contained at a level which can be reasonably paid by the general public in developing countries, it will take as long a 10 - 30 years for the service provider to recover the invested capital. To make matters worse, the earnings from such a service are normally made in domestic currency of the developing country concerned. In addition, as projects are likely to be affected by the domestic policies of developing countries, disputes concerning the management style and contract execution could arise. Application of the conventional project finance technique to this type of project imposes an extra risk for the service provided. This extra risk could increase the fund raising cost, which eventually could lead to an increase of the utility fees for an economic infrastructure service.

5. The Interim Report urges the governments of developing countries as well as Japan to make active commitments to private sector-led infrastructure development as this measure can be valued as a new, promising approach to economic infrastructure development provided that the disadvantages are overcome by the efforts of all those involved. The underlying factor for this urge is the understanding that the huge demand for economic infrastructure must be met if the economic growth of Asian countries, which is an accelerator for the growth of the world economy, is to successfully continue.

6. The Interim Report also calls upon both the governments of developing countries and the Government of Japan to clarify the desirable way for private sector-led infrastructure development to be pursued and to make conscious efforts to achieve infrastructure development. The criteria suggested by the Interim Report for infrastructure development include an unmistakable public character of a project which clearly forms part of the development plan of the developing country in question, appropriate risk sharing between the government of the developing country and the private enterprise entrusted to implement an infrastructure development project, joint cooperation of private enterprises of more than one advanced country, project risk borne by an enterprise which is best equipped to effectively bear such risk, appropriate utility fees level and proper attention being paid to reducing the environmental load.

7. The Interim Report emphasises the necessity to make a positive commitment to assisting private sector-led infrastructure development. Firstly, it expects the governments of developing countries to clearly establish this development approach as part of their national land development plans and infrastructure development programmes. Moreover, in order to minimize risks involved in the private sector-led infrastructure development it urges these governments to introduce an appropriate legal system governing various types of contracts and a framework to ensure the establishment of reasonable infrastructure service charges, balanced infrastructural development both for urban and rural areas and reduction of the environmental impacts to an acceptable level, etc.

8. Secondly, the Interim Report points out that the Government of Japan should make a commitment to supplementing private sector projects through international cooperation. All private sector-led infrastructure development projects are characterised by a huge funding requirement and non-commercial risks and it is necessary for advanced countries to provide coordinated assistance. As the World Bank, IFC and ADB, etc. have been actively providing assistance for private sector-led infrastructure development, the Government of Japan should further strengthen its cooperation with these international organizations. The Interim Report urges the Government of Japan to assist the efforts of the governments of developing countries to formulate plans, a legal system and development framework on a self-reliant basis by intensifying its policy dialogue with the governments as well as providing the necessary funds and know-how based on international cooperation. It also urges the Government of Japan to make the best use the currently available trade insurance system, loans and guarantee facilities of the Export-Import Bank of Japan and the yen loans, overseas investment and loan facilities of the OECF, etc. as a means of financial assistance for individual private sector-led infrastructure development projects in order to effectively and efficiently meet the specific requirements of individual developing countries and project fields.

9. The idea of assisting private sector-led infrastructure development has so far generally been understood as a possible approach for the Government of Japan which is committed to continuously assist extremely costly economic infrastructure development in developing countries efficiently using the limited aid resources. Finally, the Economic Cooperation Committee of the Industrial Structure Council plans to take up those issues in need of urgent review or analysis in the coming years on a

priority basis shed light on the desirable way for Japanese official development aid to be arranged.

Japan: Official Suggests 'Easy Monetary Stance' To Continue

OW1502112296 Tokyo KYODO in English 1036 GMT 15 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 15 KYODO — Vice Finance Minister Tadashi Ogawa suggested Thursday [15 February] that Japan will maintain its current easy monetary stance for a while to help get the economy on a full recovery path.

"I think Japan is expected to maintain its policy of ensuring moves toward an economic recovery," Ogawa said at a press conference.

From this viewpoint, the Bank of Japan (BOJ) will make concrete decisions on how to manage monetary policies, he said.

Ogawa was commenting on remarks made by Finance Minister Wataru Kubo earlier in the day at the Diet.

Kubo said, "low interest rates are adversely affecting the aged and people who live on pensions." This was taken by market participants as hinting at a hike in the official discount rate and led to higher market rates.

Ogawa said Kubo had stated his recognition that it cannot be denied that low interest rates are tormenting depositors and pensioners.

At the same time, however, in view of supporting economic recovery, Kubo acknowledges the need for the easy monetary stance which will benefit the lives of the overall Japanese people, Ogawa said.

With emerging signs of economic recovery, there is growing speculation the BOJ may increase the official discount rate in the near future amid criticism that the accomodative monetary policy is helping boost the earnings of banks that will have to write off a large amount of loans to troubled housing loan companies due to be liquidated with taxpayers' money.

The official discount rate, which the central bank charges on loans to commercial banks, has been at a historic low of 0.5 percent since last September.

At a news conference Thursday, BOJ Governor Yasuo Matsushita suggested the central bank would maintain the easy monetary grip for a while. "There is no change in the BOJ's monetary adjustment stance for now," he said.

Japan: Kubo Says Farm Bodies Unable To Bear 'Jusen' Bankruptcy

OW1502070696 Tokyo KYODO in English 0545 GMT 15 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 15 KYODO — Finance Minister Wataru Kubo said Thursday [15 February] agricultural financial institutions would not be able to bear the huge costs that would occur if seven troubled mortgage companies are liquidated under the Bankruptcy Law.

"Liquidation costs required for agricultural institutions (under the Bankruptcy Law) are far beyond their tolerable levels," Kubo said in a session of the House of Councillors Budget Committee.

At the end of December, the government decided to liquidate the seven debt-ridden housing loan companies, known as "jusen." The scheme includes the use of 685 billion yen in taxpayers' money to help cover liquidation costs totaling 6.41 trillion yen.

Kubo said if the Bankruptcy Law is applied, agricultural institutions, major creditors to the mortgage companies, would have to shoulder 2.75 trillion yen, up sharply from the 530 billion yen under the government's liquidation scheme.

Liquidation costs required for banks that founded the mortgage companies will fall to 1.75 trillion yen from 3.5 trillion yen under the government's scheme and those for other creditor banks will increase to 1.9 trillion yen from 1.7 trillion yen, he said.

Kubo indicated that the ministry will ask the founder banks to consider further restructuring efforts, including a cut in pay for executives.

"It should not be allowed that those who have responsibility for the housing loan fiasco take no blame. The ministry will make requests to the banks if necessary," Kubo said.

Japan: Ex-Official Defends Self Over 'Jusen' Fiasco

OW1502065896 Tokyo KYODO in English 0542 GMT 15 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 15 KYODO — A former Finance Ministry official defended Thursday [15 February] a government decision to free mortgage firms known as "jusen" of regulations in real estate-related loans in 1990, reasoning that they were not defined as financial institutions.

"It is a reasonable decision from the viewpoint of the financial system because the jusen did not take deposits," said Masaaki Tsuchida, who served as director general of the ministry's Banking Bureau at the time of the decision.

Tsuchida made the remarks as an unsworn witness before the House of Representatives Budget Committee. The lower house panel summoned him and six others for questioning over a controversial government scheme to use taxpayers' money to help mop up losses in the liquidation of seven virtually bankrupt mortgage firms.

Financial experts say the jusen fiasco can be partially attributed to an increase in real estate-related loans by the mortgage firms after the Finance Ministry introduced regulations in March 1990 requiring banks and other financial institutions to keep the growth of real estate-related lending below that of overall lending.

The mortgage firms were not subject to the regulations, allowing them to extend the real estate loans and their founding banks were able to provide these loans through the mortgage firms.

The ministry also required banking and other financial institutions, excluding agricultural cooperative-related firms, to report quarterly their outstanding loans to nonbank financial institutions, such as the jusen, construction and real estate companies.

Financial experts say this prompted agricultural cooperative-related financial institutions to extend massive loans to the jusen, and many of the loans are now deemed unrecoverable.

Under the government liquidation scheme, agriculture-related financial institutions will receive payments to cover the entire principal of their loans in exchange for a 530 billion yen contribution to an organization that will be formed to collect loans extended by the mortgage firms.

The scheme has been under fire for being drafted without settling the issues of responsibility for the jusen problem and for favoring agricultural cooperative-related financial institutions.

There has been speculation that a memorandum exchanged between the finance and farm ministries in 1993 guaranteed repayments of the loans from agricultural financial institutions to the housing firms.

At that time, both ministries were involved in negotiations over a bailout plan for the seven mortgage companies after a sharp fall in land prices left the firms saddled with mountains of bad loans.

Speaking as unsworn witnesses summoned before the budget committee, former Finance and Farm Ministry officials involved in those negotiations denied the speculation.

"The memorandum was meant to wrap up deliberations between the finance and farm ministries as we asked the founding banks and agricultural financial institutions to bear financial burdens as much as possible, and tried to persuade agricultural financial institutions to bear responsibility appropriately," said Nobuyuki Teramura, who served as chief of the Finance Ministry's Banking Bureau when the memorandum was exchanged in February 1993.

Takeki Manabe, who served as chief of the Farm Ministry's Economic Affairs Bureau and represented the ministry at that time told the Budget Committee that the note was the result of discussions between the two ministries over a bailout plan for the jusen.

"It was not an issue of policy but an issue of management at agricultural financial institutions over how much they could cooperate in restructuring the mortgage firms," Manabe said.

A May 1993 bailout plan for jusen came out of the negotiations that calls for cuts in interest rates on loans to the mortgage firms and financial support from the founding banks.

Teramura said he thought the bailout plan was sufficient at that time because he could not have forecast that land prices would plunge over an extended period.

Kenichi Kakudo, chief of Norinchukin Bank, the central bank for agricultural cooperative-related financial institutions, told the Budget Committee that the founding banks should take responsibility for the jusen fiasco.

"The founding banks set up the jusen as solved in their management. They clearly have responsibility as parent companies," Kakudo said.

Speaking at the Budget Committee, Toru Hashimoto, chairman of the Federation of Bankers Associations of Japan, acknowledged the founding banks' responsibility, but said the banks could not do anything more than surrendering their claims on all of the 3.5 trillion yen in outstanding loans to the mortgage firms as a part of the government scheme.

"On the part of the founding banks, we would like to take responsibility by abandoning all claims on loans," said Hashimoto, who also serves as Fuji Bank president, one of Japan's largest banks.

The Budget Committee is slated to summon 13 people to testify as unsworn witnesses on the government liquidation scheme Thursday and Friday.

Japan: Need for Financial Institutions Overseer Suggested

OW1502072396 Tokyo KYODO in English 0522 GMT 15 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 15 KYODO — Former Finance Ministry Banking Bureau chief Masaaki Tsuchida on Thursday [15 February] hinted at the need for a public organization to supervise financial activities.

"It would be good if there was an organization which supervises financial institutions, including agricultural cooperative-affiliated ones and nonbank moneylenders," Tsuchida said.

Tsuchida made the remark during testimony on the housing loan problem at a meeting of the House of Representatives Budget Committee.

"An organization with supervisory rights for financial institutions could have prevented the current problem from happening," said Tsuchida.

Calls are emerging for the government to reorganize the Finance Ministry by breaking it up into several agencies.

Japan: Coalition Agrees on Splitting Holding Firm

OW1502121196 Tokyo KYODO in English 1056 GMT 15 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 15 KYODO — The ruling coalition agreed Thursday [15 February] to pursue separate debate on lifting a ban on holding companies and strengthening functions of the Fair Trade Commission [FTC], two issues they had intended to package into a single bill, coalition sources said.

The Liberal Democratic Party (LDP), the Social Democratic Party (SDP) and New Party Sakigake will set up a task force Friday to discuss amendments to the Antimonopoly Law and prepare a bill necessary for the contentious lifting of the 49-year-old ban on holding companies.

The new panel plans to reach a conclusion as swiftly as possible, the sources said. The LDP calls for wrapping up talks by Tuesday, while the SDP and Sakigake insist on a deadline of early March and late March, respectively, the sources said.

The parties had planned to submit to the Diet a bill addressing both the holding company ban and FTC strengthening by Feb. 9, but they missed the target date because of a deep rift between the SDP and the LDP over the extent of lifting the holding company ban.

The cabinet of Prime Minister Ryutaro Hashimoto expects to decide on a bill Tuesday for stepping up functions of the antitrust watchdog panel by upgrading its secretariat and extending the tenures of committee members and the chairman, the sources said.

On holding companies, the LDP supports an FTC-drafted plan that calls for prohibiting holding companies when they could amass excess business power and requiring them to register with the government when their total assets exceed 500 billion yen.

The SDP, however, has come up with its own proposal that would keep holding companies banned in principle.

They argue the use of holding companies should be permitted, conditional on FTC approval, in cases where concerns spin off their business divisions to assume only head office functions or financial institutions enter each other's business turf via subsidiaries.

Sakigake proposed its own idea when coalition policy-makers convened Thursday, the sources said.

The plan will ban a holding company when its total assets top 15 trillion yen. One with assets exceeding 5 trillion yen will have to seek official approval, while one with assets of more than 300 billion yen will be required to register with the government.

Japan: SDP's Sato Criticizes Proposal for NTT Breakup

OW1502111896 Tokyo MAINICHI SHIMBUN in Japanese 15 Feb 96 Morning Edition p 3

[FBIS Translated Text] Secretary General Kanju Sato of the Social Democratic Party [SDP] opposed the Telecommunications Council's advisory report calling for the breakup of Nippon Telegraph and Telephone Corp. (NTT) into three private companies. In the 14 February news conference, Sato stated "the 21st Century will become the multimedia era, and the NTT breakup will not benefit the public."

Commenting on the stance of the advisory panel, Sato said: "I have heard that the panel's report was formulated in accordance with certain "probreakup" bureaus of the Posts and Telecommunications Ministry under the initiative of bureaucrats. I am wondering if this is appropriate for an advisory council. We need to reconsider if such a bureaucrat-led style is appropriate in the policymaking process."

Sato is a Political Bureau member of the All Japan Telecommunications Workers' Union (Zendentsu), NTT's labor union.

Tokyo's Projected MSDF Order of Battle for Mar 2001

962B0015A Tokyo SEKAI NO KANSEN in Japanese Dec 95 pp 76-81

[Article by Yasumitsu Takada, staff editorial department: "Japan's MSDF in the Next Century; 2. Order of Battle as of March 2001"]

[FBIS Translated Text] On the past 31 August, the Defense Agency published its estimated budget request for fiscal year 1996. The budget submission included a request for the funding of vessels and aircraft as shown in Table 1, with procurement thereof to be completed by the end of fiscal year 2000 or in the very first year of the century; i.e., March 2001. Thus, the configuration existing at the point of completion of the fiscal year 1996 program will reflect the Maritime Self-Defense Force's [MSDF] structure at the beginning of the 21st century. Needless to say, approval of the budget request will entail Ministry of Finance review and approval of the Diet and its outcome cannot be predicted. Of special note is that fiscal year 1996 represents the first year of the new Mid-Term Defense Buildup Program with completion of the program scheduled for around December, and if any significant force reduction is reflected in that program, it will have an affect on the budget review process.

However, as far as the MSDF, especially destroyers, are concerned, that likelihood is limited. The reason is that even if the fiscal year 1996 program is approved as requested, the escort force will remain at 54, falling considerable below the roughly 60 ships reflected in the current "Defense Program Outline." Needless to say, the same is not true with other classes of vessels and aircraft, but reference to those categories will be made in this article when appropriate, and this article will be written under the assumption that all of the fiscal year 1996 estimated budget request has been approved and will supplement approvals contained in the fiscal year 1995 program.

Destroyers

The total number of destroyers will become 54, as previously stated, if approval is granted for the seventh ship of the "Murasame"-class as sought in the fiscal year 1996 budget request. The breakdown is as listed in Table 2, and 33 will be assigned to the four escort flotillas operating under the command of the Fleet Escort Force and the remaining 21 will be assigned to five different regional units. The following discussion will cover a detailed breakdown of destroyers.

- DDH/DDG

Helicopter destroyers [DDH] will probably remain as two vessels of the "Shirane"-class and two vessels of the "Haruna"-class and continue deployed at the rate of one vessel each to Escort Flotillas 1 through 4. The "Haruna"-class will soon reach decommissioning age, but no ship replacement plans have been formulated as of the present.

Meanwhile, the guided missile destroyer [DDG] fleet will be augmented by the fourth such craft known as the "Kongo"-class Aegis craft (programmed in fiscal year 1993) currently under construction for conversion to a nine-ship fleet, but since the "Tachikaze" will replace the "Murakumo" as the flag ship for the Fleet Escort Force, there will be no change in the system calling for one escort squadron (2 DDG ships) for each escort flotilla. However, each escort flotilla will be assigned one Aegis destroyer and form a pair with the originally assigned DDG, providing for a major enhancement in the air-defense capabilities of the Fleet Escort Force as a whole.

A matter which we must not forget concerning the DDG is its relationship with Theater Ballistic Missile Defense [TMD]. If our nation decides to officially adopt such a defense system, the Aegis ships will definitely comprise a component of such a system. However, implementation of TMD is expected to require 10 years from the time of the decision to adopt until it is deployed, and it is difficult to conceive of a "Kongo"-class DDG with TMD capabilities by the year 2001.

Rather, a matter worthy of mention is that modernization of existing DDG includes consideration of modifications for two "Hatakaze"-class ships based on new threat upgrade [NTU] modifications engineered by the U.S. Navy. NTU modifications provide existing DDG with some degree of simultaneous multiple target disposal capability and there is no doubt that implementation of the modifications will provide for additional enhancements in air defense capabilities, but progress on the project is still an uncertain matter along with the need for approval of funding.

Table 1. MSDF FY96 Request for Combat Equipment

Category	Class	Quantity
Ships	4,400-ton Destroyer [DD]	1
	2,700-ton Submarine [SS]	1
	510-ton Minesweeper [MSC]	1
	3,300-ton Oceanographic Research Ship [AGS]	1

Category	Class	Quantity
	5,400-ton Submarine Rescue Ship [ASR]	1
	980-ton Multipurpose Support Ship [AMS]	1
Aircraft	SH-60J Antisubmarine Helicopter	8
	UP-3D Electronic Warfare Training Support Plane	1
	US-1A Rescue Plane	1
	UH-60J Rescue Helicopter	3
	T-5 Basic Flight Training Plane	2

Table 2. Naval Ship Count as of End March 2001

	Category	Type, Class x Quantity	Total/Gross Tonnage
Destroyers	DDH	Shirane x 2, Haruna x 2	4 / 20,400
	DDG	Kongo x 4, Hatakaze x 2, Tachikaze x 3	9 / 49,900
	DD	Murasame x 7, Asagirix x 8, Hatsuyuki x 12, Yamagumo x 1, Takatsuki x 1	29 / 100,300
	DE	Abukumax x 6, Yubari x 2, Ishikari x 1, Chikugo x 3	12 / 20,730
	Sub Total		54 / 191,330
Submarines	SS	2,700-ton x 4, Harushio x 7, Yuushio x 5	16 / 39,500
Mine Warfare Vessel	MSO	Yaeyama x 3	3 / 3,000
	MSC	510-ton x 3 +a, Uwajima x 9, Hatsushima x 10	27+a / 11,440+a
	MST	5,600-ton x 2	2 /11,200
	Sub Total		27 +a / 25,640+a
Transport	LST	8,900-ton x 1, Miura x 3, Atsumi x 2	6 /19,480
	LSU	Yura x 2	2 /1,180
	LCU	Number 1 Transport x 2	2 / 840
	Sub Total		10 / 21,500
Patrol Boat	PG	Number 1 Missile Boat x 3	3 /150
Total			110+a / 277,120

Footnote: +a: Plus undetermined number.

- DD

The nucleus of the multipurpose destroyer [DD] force to be serving at the beginning of the 21st century will total 27 including three classes; i.e., "Murasame," "Asagiri," and "Hatsuyuki," plus "Kikuzuki" which was commissioned in 1968 and "Yuugumo" which was commissioned in 1978. Twenty ships including seven "Murasame"-class, eight "Asagiri"-class, and five "Hatsuyuki"-class will be organized into 8 escort squadrons.

Among the foregoing, the "Murasame"-class will involve assignment of the name ship in March of next year and the second ship of this class to be commissioned as the "Harusame" at the end of fiscal year 1996 as part of a pair to Escort Squadron 11 under the command of Escort Flotilla 1. Subsequently, number 3 and 4 ships are scheduled to be commissioned at the end of fiscal year 1998 and number 5 and 6 ships at the end of fiscal year 1999, with the probability that number 3 and 4 ships forming Escort Squadron 12 and number 5 and 6 ships forming Escort Squadron 13. If the seventh ship being requested for funding under the fiscal year 1996 program is constructed as scheduled, it will probably be commissioned at the end of fiscal year 2000 and assigned to one of the three foregoing escort squadrons.

As mentioned several times in this magazine in the past, the "Murasame"-class destroyer was designed for fitting with Fire Control System-3 [FCS-3], which is currently under development, but current reports indicate number 1 through 7 ships will not be equipped with the system. However, the MSDF in its new Mid-Term Defense Buildup Program speaks of building an improved-performance version of the "Murasame"-class and stirs interest even today as to what sort of configuration will be prescribed for number 8 ship (modified Murasame-class Number 1) which is scheduled for approval after fiscal year 1997.

"Asagiri"-class and "Hatsuyuki"-class together with "Murasame"-class ships will become the nucleus of DD assigned to the Fleet Escort Force. However, by the year 2001 all eight of the first class of destroyers will be assigned to the Fleet Escort Force and comprise three escort squadrons, but the latter ("Hatsuyuki"-class) will be assigned to "Murasame"-class Fleet Escort Force and gradually located with regional units, thus leaving at that point only five (two escort squadrons) of 12 ships with the Fleet Escort Force.

Reassignment of "Hatsuyuki"-class to regional squadrons will begin in March of next year. The first reassignment will affect the name ship currently assigned to the Yokosuka regional unit (currently assigned to the Escort Flotilla 4's Escort Squadron 41) and other ships of that class will be gradually reassigned to regional units. Assignment of ships of this class which are systems vessels will enhance the antisubmarine warfare [ASW] capabilities of regional units. However, it is questionable as to whether they can carry helicopters on a regular basis. This statement is made because the SH 60J-class helicopters currently carried by these ships will start to be delivered to air squadrons under the command of regional headquarters beginning this fiscal year, but SH 60J assigned to regional units are of similar design but for land-based operation and face limitations in terms of ship-board operation. Further, regional units which do not possess their own antisubmarine helicopter squadrons like Yokosuka and Maizuru would probably be restricted in their response capabilities. As a result, most regional units will be forced to operate ships without ship-board helicopters under normal conditions and ask for helicopter support from ship-board helicopter units as the need arises.

Both "Kikuzuki" of the "Takatsuki"-class and "Yuugumo" of the "Yamagumo"-class are the last of the DD-type destroyers of these two classes and will serve out their remaining years with the regional units.

- DE

As of the time this article was being written, 20 small destroyer escorts [DE] were commissioned and assigned to regional flotillas, but 11 "Chikugo"-class ships representing the largest group of DE will be recategorized beginning after the next fiscal year and will be reduced to a total of three by March 2001 and the DE category will be reduced to a total of 12. The breakdown will be six "Abukuma"-class, two "Yuubari"-class, one "Ishikari"-class, and three "Chikugo"-class. At this point, let us take a detailed look at each of these ship classes.

First, the "Abukuma"-class which comprises one-half of the DE category is relatively new, is well equipped, and can be considered as the elite of destroyers assigned to regional units as we approach the 21st century. From the time this class was first manufactured, it was well known that it was designed for installation of a surface-to-air missile [SAM] launcher to defend against approaching RAM [expansion not given], but introduction of such launchers has been delayed because of slow progress on the part of the joint U.S.-German development team. However, the launchers finally became operational recently and the U.S. Navy has commenced installment of the systems on assault-landing ships, while the MSDF seems to have initiated studies aimed at adopting the launchers. We cannot come to any conclusion because a decision has not been made, but it appears that there is considerable potential that the system will be adopted.

Both the "Yuubari"- and "Ishikari"-classes are somewhat smaller, do not provide for much diversity, and not much is said about modernizing them, but both classes are relatively new and are effective for use as harpoon surface-to-surface [SSM] attack ships.

The "Chikugo"-class ship will be outdated by the year 2001 and will probably be retired by the year 2004.

These DE vessels will be joined by the previously mentioned seven "Hatsuyuki"-class and "Kikuzuki" and "Yuugumo" to form 10 escort squadrons for assignment in pairs to five regional units. The total number of destroyers assigned to regional units will drop from the current 26 to 20, but assignment of the "Hatsuyuki"-class ships should improve overall antiship, antisubmarine attack capabilities.

Submarines

If approval is issued for the construction of one 2,700-ton submarine, as requested in the fiscal year 1996 program, submarine strength at the first part of the 21st century will be maintained at 16. That number will include four 2,700-ton vessels, seven "Harushio"-class, and five "Yuushio"-class, will be assigned to the two submarine flotillas under the Fleet Submarine Force, and constitute six submarine squadrons. The total number of vessels will not change from the present, but we can look forward to qualitative improvements based on an increase in 2,700-ton submarines.

Submarines of the 2,700-ton class are approved for fiscal years 1993, 1994, and 1995 programs at the rate of one each and will be commissioned in the years 1997, 1998, and 1999, while approval of the one planned for the fiscal year 1996 program for commissioning at the end of fiscal year 2000 will mean that the 2,700-ton submarine strength as of 2001 will be four.

This class of submarine was primarily programmed to improve underwater survey capabilities and feature the installation of three conformal sonar arrays as sensors on each flank. To maintain precision measurements with this sonar requires that the array on both flanks are straight, but achievement of such is difficult with the teardrop-shaped "Harushio" and requires, of necessity, that the vessel be cigar-shaped with a long parallel section. Further, since it is desirable that the main unit of the array be fixed to a pressure hull of the strongest quality, it will probably mean that a considerable portion of the central section of the vessel will consist of a single exposed pressure hull. However, since maintenance of reserve floating capability will require a commensurately large main tank, the bow and rear sections of the vessel away from the sonar array section will be double-hulled to accommodate the tank requirement, thus making it most probable that the vessel will be of partial double-hull structure. Location of torpedo launching tubes will have undergone significant change compared to the "Harushio"-class submarines. The reason is that cigar-shaped vessels will not allow for installation of tubes in the center of the vessel as can be done with tear-drop-shaped vessels, while tubes will probably be installed in the bow section with two on the upper level and four on the lower level, providing for a total of six as has been the case in the past. Installation of launcher tubes which are a source of noise near forward sonar is something that should be avoided, but potential conflict of locations with conformal sonar systems makes such a location unavoidable.

The foregoing description indicates that the external shape of this 2,700-ton submarine will be much like that of the British Navy's upholder-class submarine which is similarly equipped.

Of the two remaining classes, the seven of the "Harushio"-class comprise the largest number within the fleet and the vessels are relatively new, making them the nucleus of the fleet. The 10 "Yuushio"-class currently in service will gradually convert to special task submarine [ATSS] duty and retire from combat missions, leaving only five on active duty in the year 2001 including number 6 "Hamashio" and the next four sequentially numbered vessels.

However, the number of vessels mentioned above assume that the 16 vessels listed in the "Defense Program Outline" will be maintained even in the new Mid-Term Defense Buildup Program, and if a decision is now made to reduce the submarine fleet, the 2,700-ton submarine requested in the fiscal year 1996 program will probably be disapproved and an acceleration could take place in the retirement (or reclassification) of existing submarines. The final decisions in this connection will not become clear until the new Mid-Term Defense Buildup Program is prepared at the end of this year.

Mine Warfare Vessels

The total number of mine warfare vessels (minesweeping ships, minesweeping boats, and minesweeper tender ships) and their composition as of the end of March 2001 will be 27 vessels plus an undetermined number as indicated in Table 2. "Plus an undetermined number" may sound odd, but the expression is predicated on the vagaries of preparing minesweeping boat construction schedules.

The MSDF constructs its minesweeping boats under a three-year program (three-year linear chart); e.g., a 510-ton minesweeping boat requested in the fiscal year 1996 program, subject to budget approval, will be commissioned in the third year of fiscal year 1998 as projected from fiscal year 1996. Accordingly, the precise count of minesweeping boats as of the end of March 2001 (end of fiscal year 2000) will not be known until after the budgets are approved for fiscal years 1997 and 1998. That yet-to-be determined number represents the "plus undetermined number." The following discussion will be based on the premise that there will be four minesweeping boats built in fiscal year 1997 and 1998, which may be estimated on the high side.

- MSO/MSC/MSB

Ocean minesweepers as of 2001 will be composed of three "Yaeyama"-class and no overall increase or decrease will take place. This class of vessel debuted as the MSDF's first MSO with deep-water minesweeping capabilities and was initially programmed for procurement of six ships (two minesweeper squadrons). However, the termination of the Cold War and drop-in requirements has led to the situation in which the fleet remains at three ships and one minesweeping squadron, with no possibility of a further increase unless a significant change takes place in the strategic environment.

Further construction can be visualized in the case of coastal minesweepers [MSC] and as stated earlier, the number is expected to be four at the most and at least two, with each being in the 510-ton category. This class of vessel is fitted with a British GEC-developed antimine warfare system and French-made PAP-104 series mine disposal gear. However, if work on a new minesweeping gear S-10 being developed by the Technical Research and Development Institute is successful, a request may be submitted for a new class of MSC fitted with the newly developed gear. In any event, 510-ton-class vessels have been approved under the fiscal year 1995 program as vessels number 1 and 2, both of which are scheduled for commissioning in fiscal year 1997. Additionally, if the request contained in the fiscal year 1996 budget is approved, a vessel number 3 will be commissioned.

The "Uwajima"-class, which is a one class older MSC, covers seven vessels currently in service and will be augmented by vessel numbers 8 and 9 (last of the program), approved under the fiscal year 1994 program and scheduled for commissioning in fiscal year 1996.

These two classes of minesweepers should be in service as of 2001, but the "Hatsushima"-class should undergo considerable attrition. The name ship of the class has already been reclassified as an special task boat, while the future will probably see the annual retirement of two vessels, bringing the current 22 boats down to around 10 by the year 2001.

Further, of Class-7 versions of the coastal minesweeper [MSB], commissioned in 1973-1975, four remain in service, but they are all aged and will probably be retired in fiscal year 1998. Nothing has been formulated in the way of a replacement plan, but experience accumulated during minesweeping operations in the Persian Gulf area afforded reconfirmation of the need for this class of minesweeper which cannot be handled by MSC, making MSB an area of interest for future monitoring.

- MST

In the minesweeper tender [MST] category, approval has been issued for one vessel each in the 5,600-ton category under the fiscal years 1994 and 1995 programs for commissioning at the end of fiscal years 1996 and 1997 as replacements for the minesweeper tender "Hayase" and the minelaying ship "Soya." These two ships will have mother ship and minelaying capabilities, with exterior silhouette like that of the 8,900-ton transport with a tilted tripod-style mast to provide for stealth qualities.

Based on the foregoing, the mine warfare fleet at the beginning of the 21st century will include assignment of a 5,600-ton MST as flagships for Minesweeper Flotillas 1 and 2, and the establishment of 14 minesweeper squadrons out of three MSO and 24 to 26 MSC for assignment to the two minesweeper flotillas and five regional units.

Transports

The transport fleet as of March 2001 will consist of one large 8,900-ton landing ship tank [LST], five medium LST including two "Atsumi"-class and three "Miura"-class, two small "Yura"-class landing ship utility [LSU], and two number 1 class landing craft utility [LCU] for an overall total of 10.

Noteworthy among those ships is the one 8,900-ton LST which is being built under the fiscal year 1993 program. This ship is scheduled to be commissioned at the end of fiscal year 1997 as the replacement for "Atsumi," but unlike LST's in the past capable of direct beaching, discharge of personnel and vehicular freight will be handled by a helicopter and two air-cushioned landing craft. Thus, the ship configuration consists of a flattop deck like an aircraft carrier and is unlike a conventional LST.

The MSDF plans on enhancing sea transport capabilities by building several categories of ships of this nature in the future, but a decision on future procurement has been made only on one ship in the fiscal year 1993 program, while no follow-on program has been submitted so far. Accordingly, the LST fleet as of March 2003 will consist of vessels commissioned between fiscal years 1972 and 1977, including five LST's having aged into veteran status, plus one 8,900-ton new ship, giving the undeniable impression that the fleet will be of a transitory nature. Of special note is that the 8,900-ton ship will be assigned to Transport Squadron 1 along with the "Miura"-class, while the former will have a top speed of 22 knots and the latter will have a maximum speed of 14 knots, making it difficult to remain coordinated during joint operations.

LSU's and LCU's which are both relatively new will continue to engage in transportation missions with regional units.

Patrol and Auxiliary Vessels

- PB/PG

As of March 2001, patrol/guided missile boats [PB/PG], definitely scheduled to be in service, are three number 1-class missile boats [PG], while reportedly three number 19-class patrol boats [PB—all commissioned in fiscal year 1972] are scheduled to be retired in fiscal year 1998. There is the view that the number 4 boat of the number 1-class PG is necessary to complete a minimal squadron, but no action has been taken on its approval. Further, there are no plans at the present time for PB to be used to replace number 19-class PB.

- Auxiliary Ship

Plans are being developed to sequentially replace aged auxiliary ships with a mission to support combat vessels. First, let me introduce three ships of three classes pending approval under the fiscal year 1996 program.

A 3,300-ton oceanographic research ship [AGS] will replace the "Akashi" which was commissioned in fiscal year 1969, when it is commissioned in fiscal year 1998. The new ship will be twice the size of the "Akashi" and possess significantly enhanced survey capabilities.

A 5,400-ton submarine depot/rescue ship [AASR] will replace the "Fushimi" which was commissioned in fiscal year 1969, when it is commissioned in fiscal year 1999. The new ship will be larger than the submarine rescue mother ship "Sayoda" and has been designed to carry a deep-submerged rescue vehicle [DSRV] in the center section. Further, envisioning disaster relief missions, it has an enhanced medical support facility.

A 980-ton multipurpose support ship [AMS] will replace the special task boat number 81 which was commissioned in fiscal year 1967, when it is commissioned in fiscal year 1997. It will be equipped with a target-towing device for use during fire training support tasks and a towing device for use during rescue missions.

In addition to the foregoing three vessels, training support ship "Azuma" commissioned in fiscal year 1969 and special mission boats numbers 82 through 85 commissioned in fiscal years 1968 and 1971 through 1973 have reached replacement age, while replacement funding will be programmed subsequent to fiscal year 1997 and the ships should be scheduled for commissioning by the end of fiscal year 2000 based on scheduling using the construction projection linear chart, but such future programming is unclear at this time.

With the exception of ships such as the training ship "Katori" commissioned in fiscal year 1969, all other ships are relatively new and are expected to remain in service until the end of fiscal year 2000. However, I have omitted any discussion of destroyers and submarines being converted into the auxiliary ship category such as special task ships and training ships because I lack definite data on this topic.

Aircraft

In this section, I will limit myself to a discussion of combat antisubmarine planes.

P-3C antisubmarine patrol planes were first commissioned in fiscal year 1981, indicating that some of the planes are reaching retirement age based on the 15-year average life span of aircraft. However, nothing has been done about preparing a retirement schedule, because of the absence of data on retirement criteria based on flight time. Accordingly, including the one plane to be commissioned in fiscal year 1995, a fleet of 98 will probably remain in service until fiscal year 2000, but movements are afoot presently to revise the current P-3C authorization of 100 planes and the future status of the fleet will not be clear until decisions are made on the fiscal year 1996 budget.

The fiscal year 1996 program includes a request for eight SH 60J antisubmarine helicopters and if approval is issued, the fleet as of the end of fiscal year 1999 (operational combat aircraft will be procured in accordance with a four-year linear program) will consist of 67 planes. On the other hand, HSS-2B antisubmarine helicopters are being retired, and the fleet will fall to 26 craft by the end of fiscal year 1999. This trend will probably persist into fiscal year 2000, but specific additions and deletions will not be clear until a decision is made on the fiscal year 1997 budget.

Japan: Analysts Discuss NFP Presidential Election

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[Dialogue between commentator Susumu Nishibe and Seizaburo Sato, professor at Keio University: "New Frontier Party's Thousand-Yen Leader Election Is the Last Gasp of 'Political Reform'"]

[FBIS Translated Text] [Nishibe] The New Frontier Party's [NFP] election to choose a party leader was [recently] held, but it was almost a joke because anyone could vote if he paid 1,000 yen. I was struck by the feeling that developments "had now come to this." At any rate, I feel the first step to take when we discuss politics is that we should now confirm that the "political reform" which greatly stirred the country turned out to be extremely barren; no, rather than that I would say extremely harmful. In short, the result of political reform may be summed up in two points; the change in the election system, centering on the introduction of the single seat electoral district system, and the birth of the NFP as the result of an illicit union — or alliance. The new election system has resulted in shackling Japanese politics. Let me prattle on a bit: I remember, when the bill which was to have the effect of changing the election system for the worse had [just] passed, a political critic named Taro Okuyama declared loudly in some magazine as follows. "Japanese politics will improve because of this electoral district system. Now, we should improve the economy through deregulation." (laughter) I laughed aloud.

The introduction of the single seat electoral district system has led neither to noncostly politics nor to policy discussion. Rather, it ended up with [politicians] desperately spending energy gathering votes in downsized election districts. Again, as for the formation of the NFP, — this is something of an old story — when criticism of its illicit union arose, I had the following thoughts. Initially, most Japanese people indicated that they enthusiastically welcomed an administration made up of a large-scale illicit union, which is what the Hosokawa Administration was.

[Sato] Even [if only] temporarily, that administration gained a support level of as high as 70 percent. It is a commonly held opinion among research specialists that they can call it a "national consensus" when support reaches 70 percent in an opinion survey.

[Nishibe] Second, as for the coalition of the Liberal Democratic Party [LDP], Social Democratic Party of Japan [SDPJ], and Sakigake, [the public] screamed that it was an out-of-the-blue illicit union and could not be tolerated. Then, on the heels of that, the NFP was formed, yet that alliance was tacitly approved. This was an illicit union on a truly grand scale. That is because they did not stop at a coalition, but merged into a single political party. Although there are subtle differences of interpretation, depending upon the individual, [in my view], in the form of a union with the Komeito, which has Soka Gakkai as its support base, behind the scenes they formed an illicit union at the religious level as well as at the political level. In other words, the NFP was born out of an unprincipled union on a really grand scale, but the Japanese people did not complain about it at all.

I suspected that nothing good would result since [the Japanese] did not have a definite opinion even on such a specific issues as this illicit alliance. Just as I expected, as the upshot of the big unprincipled union, the [people inside the] NFP started squabbling, focusing on political methods and style. In a move leading toward a final split, the party head election process was initiated, and Mr. Ozawa was picked as the party head. Externally, this will embed the party in society at large. Internally, this will endow the party head and also the secretary general with dictatorial authority over the selection of candidates [for election] and the distribution of government- provided funds. In both respects, the original call for the party itself to play the lead role in the political reform [movement] has ended up, after all, with the "dismantling of the party." With all sorts of reservations, I concluded that the LDP-SDPJ-Sakigake coalition was, collectively speaking, better than a NFP government. So if I were an LDP politician, I should be rejoicing that now the NFP is starting to break up (laughter). When the NFP breaks up, I would form a grand coalition government embracing all the groups which show even slight conciliation toward the LDP-SDPJ-Sakigake government and would be prepared somehow to secure Japanese political stability. Of course, there would be the difficulty of candidate allocation in each election district, so I do not expect that a so-called "conservative-conservative coalition" would proceed easily.

At any rate, it was a lackluster election to choose a party leader as it involved no substantive policy discussion. But as for the political situation, taking this as an opportunity, a change could occur.

NFP's Party Head Election Was Nothing but Plutocratic

[Sato] The NFP's party head election was the finishing touch in the stupidity of [Japan's recent] political reform. It is the ultimate form of democracy worship, taking as a basis the frivolous belief that human nature is inherently good. I have never heard of such an irresponsible system that would give a chance to participate in choosing a party leader to anyone who simply pays 1,000 yen (laughter). According to newspaper reports, this system was first proposed by former prime minister Hosokawa. It is a stupid proposition, suitable for the person who promoted an absurd election system reform as political reform. If one recognizes that human nature is inherently quite evil, he could not possibly adopt such an irresponsible election system. As for primary elections in the United States, to select candidates, only people who have already taken part in a party primary or who have registered can receive the right to vote in primary elections in the majority of the states.

[Although] there are some states in the United States which adopted a system called the open primary, which enables all voters to participate in the primary election of whichever party, situations occurred where one party's members voted for the opposing party's weakest candidate. Therefore, the people who adopted this NFP party head election [system] must be people who do not understand human nature at all.

[Nishibe] Not only their understanding of human nature, but at the same time their understanding of political parties is also poor. In a political party, members share a common purpose. Role relationships are established on that basis and party members spend time expressing or discussing their views on policy and ideology. You can find this in every text book. There is no other way to describe it. Yet this [approach] has been openly trampled on [by the NFP].

[Sato] Moreover, such a method of electing the party head could produce an extreme plutocracy. If one so desired, one could easily use appropriate lists of names, copy names and addresses, and vote. One could vote and vote, paying 1,000 yen each time. As long as one had money, one could vote on behalf of 100,000 or 200,000 people. It would cost 10 million yen, but if one could cast 10,000 votes for 10 million yen, it would be an easy [way to win elections]. The fact that, just before the deadline for voting, the NFP's "election control" announced its view that "even if the voter's telephone number and date of birth are not listed, the vote is valid," was as if to confess that in actuality it was a dishonest election. A common feature is that the lists of names did not include the date of birth, and without a telephone number verification is not possible. Moreover, there is a column on the vote form to list the "name of the handling branch or the branch chairman," so who gathered how many votes could be found out. The Ozawa camp is said to have assigned each Diet member from the upper house proportional representation districts the quota of 140,000 votes, and each lower house member 15,000 votes. This is a system which permits such pressure. This was nothing more than a model election of how absurd democracy can become.

Getting back to the election system for the House of Representatives, the single seat electoral district and proportional representation have been combined. But the people who advocated reform said that the single seat electoral district system would result in political parties taking the lead, battles would be waged among the political parties, and battles among the parties would definitely result in an emphasis on policy. But when there is no policy discussion among the parties, how could the battle among the parties produce any policy? From the start, this argument is based on the premise that the political parties form policies. But when one looks at the current situation, policies will have no place in actual elections; they will either be a so-called "board over the ditch election" [door-to-door campaigning] or will focus on selling an image. Moreover, because they are in single seat election districts, the candidates must please everybody. As a result, pressure politics will be rampant . That is because, even for groups which have as little as 3 percent of the vote, if one ignores their wishes, it could result in a gap of plus or minus 6 percent. Besides, finding new people to run will become much more difficult.

[Nishibe] The way it is ought to be is that the head of a political party is chosen by the people in the party who are responsible for the course the party takes. When we say that Japanese parliamentary representatives are elected by the Japanese people, the premise is supposed to be that the Japanese people are apart from people of other countries because the Japanese people hold responsibility toward and experience in Japan or its society. But when we look at what the NFP did this time , it has permitted anyone to participate in the party head election, even if he was not a party member. So, theoretically speaking, it means that anyone in the world could have a voice in Japanese politics if he paid 1,000 yen. Will this lead to making it possible for people from other countries to elect Japanese political representatives?

[Sato] Even under the current system, if a foreign institution or organization wants a party head who suits its national interest or corporations' interests, it can provide money quietly. Such manipulation is easy. It may be too ridiculous for anyone to want to do it. But what was the difference between the two NFP party head candidates? The only difference was that one' style was to push ahead on his own and the other's was to seek everyone's opinion and act on that basis. There were no other differences at all.

Japanese Leadership Theory Is Faulty

[Nishibe] I believe that political style is certainly important. For democracy in particular, process [the way you do things] is important. The premise of democracy is that people are not perfect. Democracy assumes that imperfect people gradually begin to come closer to truth through discussion and by exchanging views. In that sense, with respect to democratic theory, whether or not one places weight on the process of discussion determines one's point of view.

But, if that is the case, then, people must go further in pursuing the discussion of political style. And if that had been done, such a ridiculous 1,000 yen-party-head-election could never have resulted, as you said. In the end, the difference in political style is that Ozawa decides by himself without consulting others much. Hata dislikes this kind of method. They have not pursued a discussion on political style as it relates to the decision process to a conclusion.

[Sato] Democracy today is fundamentally a system of representative democracy. The democratic representation system is a system which is trust is premised in the personality of the candidate, including his policies. Therefore, it is not wrong to cast a vote for a person whose character you can trust. But that should also be done on the premise that the voter knows the candidate very well. We have chosen the relatively small electoral district [system] to elect the peoples' representatives because other wise people can not get to know the candidates well enough. In a representative democracy which elect "individuals," the distance between the voters and candidates must not be too great. In that sense too, the Shinshinto party head election this time was faulty. Because the electoral district was the entire country, the distance between the voters and candidates was enormous. So the [candidates'] personalities were nothing but images spread by the mass media.

[Nishibe] In that connection, the concept of so-called leadership has been being discussed in the press beginning about 10 years ago. It was said that there were few Japanese politicians who could demonstrate leadership ability. The international situation was tense, and the emergence of a strong, able leader was desired. I think that was definitely the case, but in that leadership discussion, what was decidedly lacking was the element of "speaking ability." One of the most important elements of leadership is the ability to speak and persuade others, be it the people or party members. I think that it is a primary qualification for leadership. On this point, although I am not too familiar with other countries' politicians, the people who left their mark on history, say Churchill or Kennedy, even though people may evaluate them differently, did have the ability to express themselves convincingly to those around them.

[Sato] At least in societies which profess democracy, it is unthinkable that it could happen that a person, who completely lacks the ability to express himself but is able to carry out "nemawashi," can become prime minister, as is the case in Japan.

[Nishibe] I have heard several speeches by Ozawa and Hata on television. But to be frank, they were at the high school student council level. Obviously, neither do I mean that there are many people in LDP and DSPJ who have the ability to express themselves well. But, those who only say things to please the people at a given moment or who speak in cliches are not good as leaders.

[Sato] To be fair, today the LDP, DSPJ, and the Sakigake are the same, they are equally guilty when it comes to that point. The Shinshinto is not especially at fault.

Incidentally, you mentioned Soka Gakkai. I believe that religious groups also have the freedom of political activity. But the case of the Soka Gakkai is a little different from that of other religious groups. Not only have they formed their own political party, but also they have made loyalty to a specific person absolute. Is it undesirable for democracy or freedom of speech that such a group has great influence? I do not think it is desirable.

[Nishibe] I think that the LDP people also created confusion in framing the debate. That is because they tried to argue about the separation of religion and politics, citing Article 20 of the constitution. They argued that the Soka Gakkai was a powerful religious group and its involvement in politics was a violation of the constitution. Of course, there is such an aspect. Especially when Soka Gakkai's special characteristics are considered, the unconstitutionality claim can not be totally denied. But I think that this issue should first be developed as a political argument. In other words, I think it should be discussed in the context of the political argument that for such a closed group, in effect an organization which is not open to the public, to take center stage in politics will end up stifling democratic politics.

[Sato] Politics is intertwined with power and, therefore, runs the risk of "having a contract with the devil." For that reason, as is the case in any country, "underground organizations" and politics will have some contact with each other. But any decent country provides enough of a buffer to prevent an "underground organization" from projecting a direct influence on politics. If they have direct influence, it is a crisis for democracy. I believe that the Soka Gakkai's direct involvement in politics should also be avoided for the same reason. For the group, which lacks transparency from the outside, to have a great influence on politics will harm democracy. As long as such groups possess a very small number of seats, nothing serious will happen. The Japan Communist Party [JCP] also has a similar organizational predisposition, but it has no possibility of ever gaining governing power, so it is not much of a problem [in this respect].

[Nishibe] What I will say now was pointed out by Mr. Kanji Nishio (Denki Tsushin University professor): the Christian Democratic Union exists in Germany and the Christian Democratic Party exists in Italy, but these two parties and Soka Gakkai do not constitute the same kind of problem. In other words, in Western Europe, there are political parties at the center of politics which take the name of the Christian religion. A counter argument has been presented by people who support movements such as the Soka Gakkai asking why it should not be the same in Japan. Nishio offered the following rebuttal to such an argument. In Europe, Christianity does not imply a specific religious sect. It has become a kind of national sentiment over hundreds of years. As long as the nation's citizens are the political base, the characteristics of the nation's people are important. Christianity has had a strong influence over national characteristics. I totally agree with him. The significant point is the existence of a national religion. In the case of Japan, when it comes to the question of a religion which influenced the national character, the only conceivable one would be Shinto. Shinto could be defined as a national religion in a sense, but it would be difficult to relate the Soka Gakkai case to the Japanese national character.

[Sato] The German Christian Democratic Union includes all, Catholics and Protestants. It upholds Christian doctrine, but it does not represent a specific church group or sect. Japan could have the such-and-such Buddhist party. But the Soka Gakkai came out of the Nichiren Shoshu, a specific sect within the NIchirenshu. Moreover, it is now squabbling with that sect as well. It is a specific and extremely exclusionary sect, so we can not talk about it in the same manner as the Christian Democratic Union.

Perspective on "National Minimum"

[Nishibe] At any rate, in the end my concern is about intellectuals. There was a mountain of intellectuals and journalists who advocated, or went along with, political reform. But there was hardly anybody who seriously worried about the possibility, at the stage of arguing for political reform, that Soka Gakkai would come into the center of the reformist faction.

[Sato] The people who insisted on political reform and advocated reform of the election system even today absolutely do not criticize Soka Gakkai and Shinshinto's behavior. I do not understand why.

[Nishibe] It boils down to their ignoring it. Many well-known political scientists took firm stands which resembled support for the reformist group. But it is clear that what they ended up ending up with was a crisis called Soka Gakkai politics. I can not help but thinking that there are just so many insincere intellectuals.

[Sato] As you mentioned earlier, the most extreme form of unprincipled union was the coalition which formed the Hosokawa Government, and that was the foundation for the birth of the Shinshinto. I think you were correct on that point. But I believe that the coalition of the LDP, the DSPJ, and the Sakigake was also the kind of coalition which lacked principle and was undesirable. But that was the result of reform of the election system. Because one side formed such a large-scale unprincipled union as Shinshinto, the other side had to make an alliance in order to survive. That is why I think that the election system's reform resulted in creating two totally undesirable, unprincipled coalitions.

[Nishibe] Let me digress to a discussion of policy. This time around, both Ozawa and Hata have paid attention to the consumption tax. Ozawa said he wanted to raise it eventually to around 10 percent. Hata did not go that far, but, in any case, did advocate a consumption tax rate hike. I am not opposing that. Because an adjustment between the direct and indirect tax rate is absolutely necessary, not only 10 percent but even 15 or 20 percent, as in Europe, could be possible.

[Nishibe continues] But I think one of the points of argument which has risen in the LDP-SDPJ-Sakigake coalition is the "national minimum." I oppose, as a matter of political philosophy, the use of social welfare policy as a means to rescue the weak. But looking at it from the standpoint of stability for the nation and society, I can tolerate the idea that by providing the weak some security, the strong also escape being the victims of social confusion.

[Sato] In other words, it is the price for freedom. To guarantee every body a minimum is a precondition which enables people to act with freedom.

[Nishibe] It is not a great issue that Ozawa and others would hike the consumption tax to 10 percent. But the concept of a "civil minimum" or "national minimum" which has come up during the economic difficulties in the final years of this century has become a very important focus of argument. In their argument about the tax system, how to deal with this issue has not been included. I feel that their thinking emerged directly in response to the business sector's demands which were, in critical economic circumstances, for lowered corporation taxes. This was more notable with Ozawa. They were not looking at the consumption tax because of their concern about the entire nation.

In connection with this, I am concerned by the fact that the Communist Party, albeit with 20 some percent, has become the biggest party in the Russian parliamentary election for the lower house.

[Sato] The Russian Communist Party captured about a third of the seats. Didn't it? The voting rate the party captured did not reach even to one third, but the five percent clause disqualified all who did not reach five percent in proportional districts. [that explains why the Communists could get that many seats]

[Nishibe] That had also already happened in Poland about six months ago. The title for the 18 December issue of NEWSWEEK was "The Communist Party Has Come Back." I do not welcome the return of the communist party, but the most important reason for the communist party's return is the absence of order which was brought about by the so-called perestroika. After the resulting chaos, the people in the former socialist bloc have come to realize that some sort of order was necessary and also that without order a market economy itself could not be formed. The people judged that, in terms of possibilities, the former communist party had the ability to restore order, so it resulted in a situation where the communist party came back.

[Sato] What is interesting, especially in the case of Russia, is that the clever ones among the former communist party's "nomenclatura" do not support the communist party. That is because, after the fall of the communist party, they used the power of the state and accumulated private gains. So they are the reformist group (laughter). The less active ones in the former communist party who could not do so are supporting the present communist party.

[Nishibe] Slow communist party members, you mean (laughter).

[Sato] The slow members are on the counter attack, claiming that what the reformist group is doing is wrong (laughter). It may be a little different in the case of Poland, but extreme freedom can produce cruel circumstances. The quick and persevering people can make a lot of profit but the ones who lack those qualities, suffer badly. That tends to result in a cruel society.

[Nishibe] The so-called cut throat competition has started. It is a situation that, if not handled right, not only in the former socialist block but also in Japan, might turn into a cruel race which could destroy the competitors.

I entertained, somewhat fancifully, the view that the SDP might be said to have gained the experience which would enable it to work vigorously for a "national minimum." The SDP and its adherents are prepared to prevent competition from becoming excessive to the extremity of mutual destruction. I think the SDP should change its name to something like the Japanese National Party and declare that it is the party which promotes a policy and actions which place weight on a national minimum. But that does not seem to be happening, perhaps because of [their adherence to] pacifism and humanism.

[Sato] That is because they are dragging along the baggage of socialism, the theory of which is fundamentally wrong, and a cowardly form of pacifism called unarmed neutrality. By clinging to those notions they are forgetting the best part of socialism, that is its role in correcting the cruelties of capitalism. The SDPJ is taking the wrong direction toward reform. To mention another ill of political reform, I can cite the government subsidy of political funds. Because democracy is akin to a public asset, it is not necessarily wrong to provide public funds. But I do not think it is good unless it [the provision of public subsidies] is combined with the political parties' own efforts and freedom within the party organizations. But this time, the money is to be given out without any effort on the part of the parties.

[Nishibe] Moreover, each party's secretary general distributes the subsidy money.

[Sato] It is not only that the party will not be making any efforts itself. Some specific party officials will come to have great power. That is especially so because rank order in the proportional representation districts and official party nomination in the single seat districts are decisively important. So the party officials' power can not help but become strong.

Bureaucrat's Role in Mass Society

[Nishibe] The other day I saw an opinion survey in a newspaper on the question of who is making the decisions in Japanese politics. According to that survey, the leading opinion seemed to be that the bureaucrats were making decisions. The last time when I asked your opinion (April 1995 issue of this publication), you provided a significant suggestion. You said, as I interpreted it, that the mechanism of bureaucracy had the potential to formulate policy which could be realized relatively independently , without being influenced directly by the general society. While the plutocratic environment is spreading to the point where even the leadership of a political party can be bought with 1,000 yen, I think we can say that bureaucrats are, in a sense, a kind of political group, because it is a group somewhat distanced from general society's influence. They show politicians the policy menu. The people who are eager to criticize bureaucracy might claim that the standard for establishing such policies is whether they are in the ministry's interest. But fundamentally, they are thinking about the nation as a whole. In that sense, I feel that the existence of a bureaucratic mechanism in modern politics is the last defense against the mass society.

[Sato] The greatest yard stick in determining a politician's activities is what must be done to increase his chance for reelection. When politicians act rationally, that is usually the greatest motive. We can not really blame them, since they must face elections. Therefore, what determines the politicians' activities is the quality of their constituents. But, if this means we must "wait 100 years before the river clears," [that is, for the constituents to raise their quality] it does no good to criticize politicians. But the truly great politician is the person who can persuade his constituents and lead them in the direction he believes is right, even if he acts in that fashion. Only such politicians could become political leaders in the true sense. I think such leaders could make good use of bureaucrats. Bureaucrats naturally keep ministry interests in mind, but there are two different kinds of ministry interests. One is the ministry interest which is connected to the national interest. As for most government offices, the ministries, bureaus, and sections have been created to respond respectively to particular interests of the people. So it is absurd to ignore such individual interests completely. It is not wrong at all that bureaucrats respond properly in the area they are charged to and make efforts to further the interest of the people. But it is wrong to spend the all their energy to advance their own interests and the interests of the ministry, bureau, or section in order to maintain the organization.

It is an extremely simplistic argument that all bureaucrats are of the latter sort, that is, they only have their own interests and ministry interests in mind. Also the bureaucrats have a terrible reputation of being arrogant, but that is because politicians lack the ability to control bureaucrats, so bureaucrats can not help but getting high exposure. Bureaucrats, as experts, offer a number of alternatives which are achievable. When they do that, it could happen that they withhold an alternative which is not suitable for their own purposes, or even if they submit it, they might try to persuade the minister or politicians not to adopt it by utilizing all kinds of arguments. But the fault lies with the person who can not see through it. If the politicians have an opinion and the ability to decide, it would work well when bureaucrats provide a number of alternatives and the final choice is made by the politicians.

There is an anecdote: when a bureaucrat brought two plans to a famous prime minister, he told him to "boil them down to one best plan and bring it" (laughter). When politicians are like that, it is hopeless. I have been repeatedly saying that the bureaucrats in Japan are the important pivot to prevent democracy from falling into worse shape. Of course, there are risks with the bureaucracy too. At times, they might also work for their ministry interests in the wrong sense. But politicians are to be blamed if they can not overcome that. It is the constituents who elected and nurtured such politicians. So, in the end, the responsibility rests with the people.

[Nishibe] As it was typically manifested in the word "political reform," I often think that Japanese people's use of language is slovenly. One such example is "bureaucratism." I do not think that bureaucratism is uniquely found only among so-called bureaucrats, officials in the government bureaucracy. I have held that opinion for a long time. In my personal experience — if you pardon me for telling you, when I was a practicing leftwinger about 35 years ago, what I learned right away in reading Russian materials was the word "politburo," which appeared in the complete works of Lenin and in other publications (laughter). That means political bureau. In any case, "bureaucracy" translates into the Japanese word kanryosei. Bureaucracy can be found in politics and, in fact, even in enterprises. In some city offices, you might find bureaucracy at its truly petty form. But, I have felt that most of the central government officials I have associated with have not acted bureaucratically, compared to the bureaucratism found among businessmen in the private sector who were bureaucratic without realizing it. Especially, on the point that they can discuss matters impartially, they [bureaucrats] are very flexible.

[Nishibe continues] In comparison, people in the private business sector are deep in a bureaucracy called "our company," although they always applaud the criticism directed at bureaucrats. Subordinates who curry favor with their boss and bosses who are arrogant towards their subordinates: I feel I find such obvious behavior more among people in the private sector.

[Sato] Generally speaking, the superior-subordinate relationship is much more prominent in the private sector, and bosses are arrogant. The struggle for power is also more severe in the private sector. As for government officials, whatever position they occupy, most of the time they move after two years. Even if one dislikes his boss, since both move in two years, he can move to another post on average of once a year. As for [making a personal] evaluation, in a bureaucratic organization, if a person bungles his subordinate's evaluation, he would be criticized. It might turn out that his successor gives the person an excellent evaluation, while he, the former boss, provided a stupid assessment. So they have to be careful with their evaluations. In the private sector, the duration of staying in one position is much longer, so it is easier [for bosses] to do as they like. It is even worse in universities. University professors are often critical of the bureaucracy. But I wish they would eliminate the bureaucratism which is prevalent in the university itself, before they say anything. When I was teaching at Tokyo University, — Russia was still the Soviet Union at that time — I felt that to understand the problems of communism, one did not need to go to the Soviet Union: one could understand just about 90 percent of the problems of Soviet society by observing what was going on at Tokyo University (laughter).

Japan: Article Says MITI Head 'Totally Ignorant of Policies'

OW1402150496 Tokyo EKONOMISUTO in Japanese 20 Feb 96 p 18

[Unattributed article: "Is It a Waste of Time To Ask an Amateur Minister Questions?"]

[FBIS Translated Text] It has been almost a month since Shunpei Tsukahara became international trade and industry minister. Tsukahara weighs more than 100 kg. But contrary to his heavy weight, he proves to have "light" knowledge about policies. Officially, bureaucrats at the Ministry of International Trade and

Industry [MITI] praise Tsukahara, saying: "He is more thoughtful and smarter than he appears to be." However, their genuine evaluation is: "He is totally ignorant of policies."

Since Tsukahara assumed the ministerial post, it has been whispered that he is a puppet of Prime Minister Ryutaro Hashimoto and is just expected to support the Hashimoto government. As a person who backed Hashimoto as a candidate for new Liberal Democratic Party president, Tsukahara appears to be satisfied with such a role.

Because of his ignorance of policies, reporters seldom ask him about important issues at news conferences. They think what Tsukahara says is of no importance.

When a MITI bureau chief met Tsukahara, he paid no attention to what the minister was saying. He only talked of the prime minister's official residence, saying: "I recently met with Mr. Hashimoto for the first time in a long time. Although he is now prime minister, he has not changed a bit from when he was international trade and industry minister." Because Hashimoto's idea has infiltrated into MITI, Tsukahara would not be able to adopt his own policies for the time being. Senior MITI officials even hope that Tsukahara will frequently visit the Prime Minister's Official Residence to seek Hashimoto's advice.

North Korea

DPRK: Chondoist Chongu Party, Chondoist Association Meet

SK1502040596 Pyongyang KCNA in English 0301 GMT 15 Feb 96

[FBIS Transcribed Text] Pyongyang, February 15 (KCNA) — A joint plenary meeting of the Central Committee of the Chondoist Chongu Party and the Central Guidance Committee of the Korean Chondoist Association was held here on February 14.

Discussed at the meeting was a measure to carry into effect the initiative of the joint meeting of political parties and organisations in the Democratic People's Republic of Korea to make this a "year of peace and great national unity."

Yu Mi-yong, chairperson of the Central Committee of the Chondoist Chongu Party, delivered a report, followed by speeches at the meeting.

The reporter and speakers said that the initiative is an opportune step which was taken to get over the present difficulties facing the country and the nation and open a broad avenue to peace and independent and peaceful reunification.

They called upon the national religionists in the North and South to turn out in a vigorous struggle to achieve great national unity regardless of difference in idea, ideal, religious belief, ism and assertion, remove the danger of a new war under the idea of promoting national interests and welfare of the people and accomplish the cause of peace in the country and its independent, peaceful reunification.

They stressed that the Chondoists in the North and South and South Korean believers of Taejonggyo as well as patriotic champions of reunification should make concerted efforts for free contacts and dialogue and the removal of obstacles to them.

DPRK Warns ROK About 'Abusing' DPRK's 'Supreme Leadership'

SK1502120896 Pyongyang KCNA in English 1159 GMT 15 Feb 96

["S. Korean Puppets Warned Against Abusing the North's Supreme Leadership" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, February 15 (KCNA) — The South Korean puppets' abuses of the North have become all the more desperate.

On February 13, they bribed foreign media to maliciously slander the supreme leadership of the North, committing another crime of the blackest dye.

We can never tolerate them, who are trying hard to impair the high prestige of our leadership.

Our supreme leadership has been admired by all the people for outstanding ideas and theories, distinguished leadership ability and unprecedented benevolent politics.

Not only the world's progressives but those who had an aversion to communism are speaking highly of our socialist system centred on the popular masses. And those countries which had been antagonistic to our country have wanted to improve bilateral relations. This is related to our supreme leadership's noble virtue and high international prestige.

The abuses of our supreme leadership by the South Korean colonial puppets only reveal their immorality and impudence.

Their slander is neither a matter concerning ideology and system nor a matter concerning morality. It is a matter related to the destiny of the 70 million fellow countrymen, transcending the difference of the North and the South in ideology, system and understanding.

The South Korean puppets have spoken ill of the North with regard to "inter-Korean dialogue." But their vicious slander against our supreme leadership is tantamount to a declaration of a total challenge to and confrontation with the North.

By debasing the inviolable prestige of our supreme leadership, they fully showed that they are anti-national, anti-ethic elements and they are not eligible to become the North's dialogue partner.

Our people and People's Army regard it as their most important task to defend the supreme leadership, their destiny and future, with their lives and do everything to fulfill it.

They are keeping a close eye on the moves of the South Korean puppets and will take a strong retaliatory step by legitimate means when necessary.

Our retaliation will not be an empty talk but a merciless and stern thing.

As they defamed our supreme leadership, the South Korean puppet clique have precipitated their doom.

If they do such evil things again, they will meet a miserable end.

They must behave themselves, mindful that nobody can protect them, and make an apology to the country and the nation.

DPRK: ROK Exercises Increasing Danger of War 'Provocation'

SK1502035796 Pyongyang KCNA in English 0339 GMT 15 Feb 96

["Reckless Confrontation Racket Against North" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, February 15 (KCNA) — The puppet defence minister of South Korea, Yi Yang-ho, in a recent "special interview" with the SEOUL SINMUN cried for "quick military action" of the puppet army and "perfection of South Korea-U.S. combined operational preparedness" allegedly to cope with "possible provocation by the North," according to a report.

This is nothing but a rigmarole to justify the war exercises the South Korean puppets have staged against the North with outside forces and mislead public opinion.

To avert war and preserve peace on the Korean Peninsula is a very urgent matter for the Korean nation.

Proceeding from such a desire and requirement, we recently put forward again a realistic proposal for the Koreans in the North, the South and overseas to jointly make this a "year of peace and great national unity," and are striving to put it into effect.

If "possible provocation" exists on the Korean Peninsula, it is none other than the war exercises repeated by the South Korean puppets. The danger is increasing day by day.

All the more ridiculous are utterances of Yi Yang-ho about "resumption of inter-Korean dialogue."

At the present juncture when the atmosphere of dialogue has not been created, it is unreasonable to cry for "resumption of inter- Korean dialogue."

The Kim Yong-sam group would be well advised to stop at once the reckless confrontation racket and war exercises against the North, which will result in their own disgraceful end.

DPRK: Kim Chung-nin Meets PRC Trade Union Delegation

SK1402083796 Pyongyang KCNA in English 0807 GMT 14 Feb 96

[FBIS Transcribed Text] Pyongyang, February 14 (KCNA) — Kim Chung-nin, secretary of the Central Committee of the Workers' Party of Korea, met and had a friendly talk with the delegation of the All-China Federation of Trade Unions led by its Vice-Chairman Yang Xingfu at the Mansudae Assembly Hall on Feb. 13.

On the occasion the head of the delegation asked the secretary to convey his congratulations to the great leader of the Korean people Comrade Kim Chong-il on his 54th birthday.

The Korean people have achieved a great success in political, economic, military and other domains under his leadership, he said, and added:

"The China-Korea friendship has been provided by Comrade Kim Il- song and Comrade Mao Zedong and this friendship is deeply cherished in the hearts of the peoples of the two countries.

"I hope that the Korean people will achieve greater success in the socialist construction under the guidance of the Workers' Party of Korea led by the great Comrade Kim Chong-il.

"The China-Korea friendship sealed in blood will be inherited and developed down through generations."

DPRK: Talk Denounces Japanese Nuclear Armaments Ambitions

SK1402134296 Pyongyang Korean Central Broadcasting Network in Korean 0754 GMT 14 Feb 96

[Unattributed talk: "The Japanese Attempt To Become a Major Military and Nuclear Arms Power Must Be Stopped"]

[FBIS Translated Text] One of the important problems in guaranteeing peace and security in Asia is to stop Japan's attempts to become a major military power and to arm itself with nuclear weapons. Today, Japan's attempts to become a major military power and to arm itself with nuclear weapons have reached a grave stage.

It is already a well known fact that the Japanese reactionaries feel the reason for their past defeat was their lack of strength, and have been pursuing to strengthen their military might so that it corresponds to that of a major economic power.

During the Cold War period, the Japanese reactionaries babbled about self-defense and about improving their capability for a preemptive strike in light of the possibility of attack and of threats, and thus strengthened their maneuvers to infinitely expand their armaments and increase their forces.

Today, when the Cold War has ended, and while taking advantage of changes in the situation due to collapse of the balance of strength, the Japanese reactionaries, along with the United States, have developed the so-called threat from the North which is designed to realize their militarist ambition, and have amplified their maneuvers to increase their armaments.

Japan's pending task in becoming a major military power is to increase its offensive armaments. Currently in Komaki, various types of missiles—including air-to-air, ground-to-air, surface-to- surface, and air-to-surface missiles—are being produced on a large scale.

Having developed its own cruise missiles in 1985, Japan is currently producing 70 percent of its demand for the missiles. The Japanese reactionaries, who decided this year to spend an enormous amount of money to build several Aegis-type ships, an up-to-date ship, are accelerating their efforts to put the finishing touches on its realization, and are continuing to drag in modern lethal equipment from abroad totalling billions of dollars.

Along with the U.S. military class, the Japanese reactionaries have already started jointly studying and developing the fourth generation fighter and transports, and are organizing and operating working-level groups to study and develop various military and technological sectors, including naval vessels, armored cars, and rocket engines.

Recently, under the pretext of preparing for a so-called emergency, they held daily joint military exercises along with the United States in the sky, on the ground, and at sea, spreading the odor of gunpowder; its scale is being expanded step by step. Along with this, Japan's attempts to arm itself with nuclear weapons has already reached a dangerous level.

Currently, the Japanese reactionaries say nuclear weapons must be regarded as a card for carrying out their foreign policy, and that Japan must have freedom of action to produce nuclear weapons. Thus, they are even openly revealing their capability to possess nuclear weapons and to use them.

While quoting a secret report by the British Government, the British paper THE SUNDAY TIMES reported that Japan may have already developed an atomic bomb, and assessed that Japan's attempts to arm itself with nuclear weapons is a fait accompli.

In its own report, even the U.S. Defense Department stated that potential terror is arising within the U.S. Government regarding Japan's attempts to arm itself with nuclear weapons, and expressed strong concern over Japan's attempts to arm itself with such weapons.

Japan's attempts to arm itself with nuclear weapons is becoming the hotbed of a new nuclear war in Asia. The militarist ambitions of the Japanese reactionaries has by no means changed. In attacking overseas, the Japanese reactionaries regard nuclear weapons as the basic element of strength and as their most effective means.

The goal of Japan's attempts to arm itself with nuclear weapons is to become militarily superior, to become a major nuclear power to attack other countries in conformity with the rest of the nuclear club, and to realize its ambition of domination which was not achieved in the past.

Whenever they had the opportunity, the Japanese reactionaries opposed all kinds of nuclear tests and clamorously propagandized about peace, but this is nothing but a deceiving play to hide their dirty nuclear ambitions.

In the past, Japan provoked an aggressive war with only conventional weapons. There is no guarantee that Japan will not again kindle the fire of war with nuclear weapons. Moreover, when viewing Japan, which has not apologized and not recognized its past crimes of aggression, such concerns are all the more amplified.

Due to this, today the Asian people and our people are keenly watching with high vigilance Japan's maneuvers to arm itself with nuclear weapons. The road for Japan's attempt to become a major military power and to arm itself with nuclear weapons is the road of self-destruction. Japan must not forget its past defeat and the historic lesson of its nuclear calamity, and must act with discretion by correctly observing the trend of the times.

DPRK: Hyon Chun-kuk Attends WPK Banquet for Thai Delegates

SK1502042096 Pyongyang KCNA in English 0310 GMT 15 Feb 96

[FBIS Transcribed Text] Pyongyang, February 15 (KCNA) — The Central Committee [C.C.] of the Workers' Party of Korea [WPK] hosted a banquet for the delegation of the Palang Dharma (Righteous Force) Party of Thailand here on Wednesday.

Invited to the banquet were the members of the delegation led by Krasae Chanawongse, deputy leader of the party.

On hand were Director of a department of the C. C., the WPK Hyon Chun-kuk and other officials concerned.

Speeches were made at the banquet.

DPRK: People's Party of Cambodia Delegation Arrives

SK1402043796 Pyongyang KCNA in English 0358 GMT 14 Feb 96

[FBIS Transcribed Text] Pyongyang, February 14 (KCNA) — A delegation of the People's Party of Cambodia led by Ngon Nhel, member of the Standing Commission of its Central Committee, arrived here on Tuesday.

It was greeted at the airport by secretary Hwang Chang-yop and Vice Department Director Kim Yang-kon of the Central Committee of the Workers' Party of Korea and Cambodian Ambassador to Korea Oum Mannorine.

DPRK: Hyon Chun-kuk at Party for Cambodian Delegation

SK1402050096 Pyongyang KCNA in English 0419 GMT 14 Feb 96

[FBIS Transcribed Text] Pyongyang, February 14 (KCNA) — The Central Committee of the Workers' Party of Korea [WPK] hosted a party on February 13 for the delegation of the Funcinpec Party of Cambodia.

Invited there were the members of the delegation headed by Omrasady [name as received], director of the External Relations and Information Department of the party and chairman of the Foreign Affairs, International Cooperation and Information Committee of the National Assembly of the Kingdom of Cambodia.

Present were Hyon Chun-kuk, a department director of the WPK Central Committee, and officials concerned.

Speeches were exchanged at the party.

DPRK: Choe Tae-pok Meets Cambodian People's Party Delegates

SK1502042796 Pyongyang KCNA in English 0305 GMT 15 Feb 96

[FBIS Transcribed Text] Pyongyang, February 15 (KCNA) — A delegation of the Workers' Party of Korea had talks with a delegation of the Cambodian People's Party [CPP] in Pyongyang on Wednesday.

Present on the WPK side were Choe Tae-pok, alternate Politburo member and secretary of the WPK Central Committee, and officials concerned and on the CPP side were the members of the delegation headed by Ngon Nhel, member of the Standing Commission of the CPP Central Committee.

The two sides exchanged views on the issue of further developing the friendly and cooperative relations between the two parties and two countries and on other matters of common concern.

DPRK: Choe Tae-pok Speaks at Party for Cambodian Delegates

SK1402044296 Pyongyang KCNA in English 0408 GMT 14 Feb 96

[FBIS Transcribed Text] Pyongyang, February 14 (KCNA) — The Central Committee of the Workers' Party of Korea [WPK] hosted a party on February 13 for the delegation of the People's Party of Cambodia.

Choe Tae-pok, secretary of the WPK Central Committee, said in his speech that the People's Party of Cambodia is conducting energetic activities for the reconstruction and prosperity of the country, upholding His Majesty Esteemed King Norodom Sihanouk as the sole head of state of Cambodia.

"I am convinced that the leadership of your party headed by prince Chea Sim will certainly build a new independent and prosperous Cambodia true to the noble intention of His Majesty King Norodom Sihanouk," the speaker said.

He recalled that the great leader Comrade Kim Chong-il has valued the deep intimacy forged between the great leader Comrade Kim Il- song and His Majesty King

Norodom Sihanouk and directed particular attention to the development of friendly relations with Cambodia from long ago.

"We will make every possible effort to further develop the friendly relations with your party as intended by Comrade Kim Chong- il", the speaker declared.

Head of the delegation Ngon Nhel, member of the Standing Commission of the Central Committee of the People's Party of Cambodia, spoke next.

He said that the intimacy forged between His Majesty King Norodom Sihanouk of Cambodia and His Excellency Generalissimo Kim Il-song, the respected leader of the Korean people, marked an important occasion in developing the friendly relations between the two parties, the two governments and the two nations.

"Our party highly praises the remarkable achievements made by the fraternal Korean people under the wise guidance of His Excellency marshal Kim Chong-il, the great leader, who is creditably carrying forward the cause of His Excellency Generalissimo Kim Il-song, the respected leader," he said, adding:

"Our party positively supports proposals made by the government of the Democratic People's Republic of Korea for the reunification of the country."

DPRK: Hyon Chun-kuk Meets Cambodian Party Delegates

SK1502051196 Pyongyang KCNA in English 0309 GMT 15 Feb 96

[FBIS Transcribed Text] Pyongyang, February 15 (KCNA) — A delegation of the Workers' Party of Korea [WPK] had talks with a delegation of the Funcinpec Party of Cambodia here on Feb. 14.

Both sides informed each other of the activities of their parties and discussed the issue of developing the friendly and cooperative relations between the two parties.

Present at the talks on the WPK side were Director of a Department of its Central Committee Hyon Chun-kuk and other officials concerned and on the opposite side were members of the delegation of the Funcinpec Party led by Omrasady, director of the External Relations and Information Department of the Party and chairman of the foreign affairs, International Cooperation and Information Committee of the National Assembly of the Kingdom of Cambodia.

DPRK: Kim Chong-il's Birthday Celebrated in Russia, Cuba

SK1402083096 Pyongyang KCNA in English 0810 GMT 14 Feb 96

[FBIS Transcribed Text] Pyongyang, February 14 (KCNA) — The birthday of the great leader Comrade Kim Chong-il was celebrated in different countries.

Celebration meetings were sponsored by the Left Party of Russia and the Russian Association for Friendship and Cultural Cooperation With the DPRK in Moscow respectively on February 6 and 7.

Vladimir Burdyugov [spelling of name as received], chairman of the Left Party of Russia, said in his speech at the meeting that the birthday of Comrade Kim Chong-il is not only the national holiday of the Korean people but also the significant holiday of hundreds of millions of the popular masses of the world who support the socialist and communist idea, and wished him good health and a long life.

He noted that the respected Comrade Kim Chong-il is implementing the behests of the great leader Comrade Kim Il-song in all fields of socio-politics, the economy, army building and the cause of national reunification and further perfectly developing and enriching the idea and theory of chuche.

Referring in detail to the greatness of Comrade Kim Chong-il, Doctor of Philosophy Aleksandr Kapto of the Institute of Socio- Political Affairs of the Russian Academy of Sciences stressed that thanks to him the socialist cause is sure to win victory and a bright future is in store for the world people.

A poem recitation was held in Havana, Cuba, on February 6 and celebrations by the Youth Organization of the October 8 Revolutionary Movement of Brazil and the Addis Ababa, Ethiopia, Group for the Study of the Chuche Idea.

DPRK: Yi Chong-ok Attends Banquet at Cuban Embassy

SK1402142196 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 14 Feb 96

[FBIS Translated Excerpt] (Pedro Moran Tapanes), Cuban charge d'affaires ad interim to the DPRK, arranged a banquet on the evening of 13 February at the Cuban Embassy on the occasion of the birthday of Comrade Kim Chong-il, the great leader [yongdoja] of our party and people.

Comrade Yi Chong-ok, member of the Political Bureau of the Workers Party of Korea [WPK] Central Committee and vice president; Comrade Choe Kwang, member of the Political Bureau of the WPK Central Committee and minister of the People's Armed Forces; Comrade Kim Yong-nam, member of the Political Bureau of the WPK Central Committee, vice premier, and foreign minister; Hwang Chang-yop, secretary of the WPK Central Committee; Choe Ki-yong, chairman of the DPRK-Cuba Solidarity Committee and chairman of the Education Committee; Vice Foreign Minister Kim Chang-yong; and other functionaries concerned were invited to the banquet. [passage omitted on speeches by (Pedro Moran Tapanes) and Kim Yong-nam]

DPRK: Portuguese Party Delegation Arrives in Pyongyang

SK1402041996 Pyongyang KCNA in English 0355 GMT 14 Feb 96

[FBIS Transcribed Text] Pyongyang, February 14 (KCNA) — A delegation of the Communist Party of Portugal led by Secretary General of its Central Committee Carlos Carvalhas arrived here on Tuesday.

The delegation was met at the airport by secretary Hwang Chang- yop and Vice-director of a department Kim Yang-kon of the Central Committee of the Workers' Party of Korea.

DPRK WPK Hosts Party for Portuguese Party Delegation

SK1402045996 Pyongyang KCNA in English 0417 GMT 14 Feb 96

[FBIS Transcribed Text] Pyongyang, February 14 (KCNA) — The Central Committee of the Workers' Party of Korea [WPK] hosted a party on Tuesday in honor of a delegation of the Communist Party of Portugal (PCP).

Speaking at the party, Kim Chung-nin, secretary of the WPK Central Committee, said that the respected leader Comrade Kim Il-song and esteemed Comrade Alvaro Cunhal met with each other in Pyongyang for several times, which resulted in opening a new higher stage in strengthening and developing the bonds of friendship and unity between the two parties.

From the first days of its foundation, the PCP has valiantly struggled for socialism and the freedom and liberation of the popular masses and in the course of this, grown to be a strong political organisation with great influence in Portugal as an organized vanguard of the masses, he noted.

The WPK, he stated, highly estimates the PCP's activities to defend the gains of the April revolution and safeguard the interests of the people and the country, democracy, progress and national independence and sincerely wishes it a new success in the future struggle.

Head of the PCP delegation Carlos Carvalhas, secretary general of its Central Committee, said in his speech that the PCP has strengthened the friendly relations with the WPK as they have a common aim. The two countries are taking the same road in the struggle against imperialism, he noted, adding:

"The PCP is well aware of the historical struggle of the Workers' Party and people of Korea to defend the nation's sovereignty against imperialism. It values national independence as the WPK does.

"Communist and Workers' Parties should be firmly united and cooperate with each other in the struggle against imperialism. This unity and cooperation is the main force of the struggle for socialism.

"The PCP warmly congratulates the great leader Comrade Kim Chong- il upon his birthday."

DPRK: Hwang Chang-yop Talks With Portuguese Delegation

SK1402044796 Pyongyang KCNA in English 0412 GMT 14 Feb 96

[FBIS Transcribed Text] Pyongyang, February 14 (KCNA) — Talks between the delegations of the Workers' Party of Korea [WPK] and the Communist Party of Portugal (PCP) were held here on Tuesday.

Present at the talks on our side were Hwang Chang-yop, secretary of the WPK Central Committee, and officials concerned and on the opposite side were the members of the PCP delegation led by Carlos Carvalhas, secretary general of its Central Committee.

At the talks both sides exchanged views on the development of the friendly and cooperative relations between the two parties and a series of matters of mutual concern.

DPRK: Portuguese Party Delegation Pays Homage to Kim Il-song

SK1502095496 Pyongyang KCNA in English 0849 GMT 15 Feb 96

[FBIS Transcribed Text] Pyongyang, February 15 (KCNA) — A delegation of the Communist Party of Portugal led by Secretary General of its Central Committee Carlos Carvalhas visited the Kumsusan Memorial Palace to pay homage to the great leader President Kim Il-song, who lies in state in the palace, on February 14.

The delegation left here on Wednesday after a 2-day visit to Korea.

DPRK: New Communist Party of Great Britain Official Arrives

SK1402041796 Pyongyang KCNA in English 0356 GMT 14 Feb 96

[FBIS Transcribed Text] Pyongyang, February 14 (KCNA) — General secretary of the Central Committee [C.C.] of the New Communist Party of Great Britain Eric Trevett arrived here on Feb. 13.

He was met at the airport by secretary of the C.C., the Workers' Party of Korea Hwang Chang-yop.

DPRK: Hwang Chang-yop Meets UK Communist Party Delegates

SK1502041796 Pyongyang KCNA in English 0313 GMT 15 Feb 96

[FBIS Transcribed Text] Pyongyang, February 15 (KCNA) — Secretary of the Central Committee [C.C.] of the Workers' Party of Korea Hwang Chang-yop had talks with General Secretary of the C.C., the New Communist Party of Great Britain Eric Trevett here on Wednesday.

They informed each other of the activities of their parties and discussed the further consolidation and development of the friendly relations between the two parties and other matters of common concern.

The talks proceeded in a comradely and friendly atmosphere.

DPRK: Hwang Chang-yop Attends Dinner for UK Party Delegates

SK1502051996 Pyongyang KCNA in English 0314 GMT 15 Feb 96

[FBIS Transcribed Text] Pyongyang, February 15 (KCNA) — The Central Committee [C.C.] of the Workers' Party of Korea [WPK] gave a dinner for general secretary of the C.C., the New Communist Party of Great Britain Eric Trevett on Feb. 14.

Secretary of the C.C., the WPK Hwang Chang-yop was present there.

Speeches were exchanged at the dinner.

DPRK: Iranian Envoy Hosts Kim Chong-il Birthday Celebration

SK1502055196 Pyongyang KCNA in English 0322 GMT 15 Feb 96

[FBIS Transcribed Text] Pyongyang, February 15 (KCNA) — Iranian Ambassador to Korea Seyyad Morteza Mirheidari hosted a reception on Wednesday on the occasion of the birthday of the great leader Comrade Kim Chong-il.

Invited to it were vice-president Yi Chong-ok and Vice-premier and Foreign Minister Kim Yong-nam, who are Politburo members of the Workers' Party of Korea Central Committee, and officials concerned.

Speaking at the reception, the ambassador stated that His Excellency the great leader President Kim Il-song will be immortal, adding His Excellency the great leader Kim Chong-il is steadfastly carrying forward his cause.

"The Islamic Republic of Iran believes that the strengthening and development of friendly relations between the two countries play an important role in consolidating the anti-imperialist front," he said. "I hope these relations will further expand and develop in the future."

He voiced support to Korea's independent, peaceful reunification in conformity with the aspiration of her people.

Kim Yong-nam said Comrade Kim Chong-il has wisely led the overall affairs of the party, the state and the Army for over 30 years, performing undying feats for the motherland and the nation, the times and humankind.

"He is always paying deep attention to developing the relations of friendship and cooperation established with Iran in the joint struggle for independence against imperialism," he said, hoping that "the Iranian people will make a bigger stride forward in their efforts to defend the gains of Islamic revolution and build an independent and prospering new Iran under the leadership of respected His Excellency President Rafsanjani."

DPRK: Palestinian Envoy Gives Reception for Kim Chong-il

SK1502050196 Pyongyang KCNA in English 0315 GMT 15 Feb 96

[FBIS Transcribed Text] Pyongyang, February 15 (KCNA) — Palestinian Ambassador to Korea Shahir Mohammed gave a reception on February 14 at his embassy on the threshold of the birthday of the great leader Comrade Kim Chong-il.

Invited to the reception were Kim Chang-yong, vice-minister of foreign affairs, and other officials concerned.

Speeches were exchanged at the reception.

DPRK: Kang Song-san Sends Greetings to Ivorian Prime Minister

SK1502040696 Pyongyang KCNA in English 0306 GMT 15 Feb 96

[FBIS Transcribed Text] Pyongyang, February 15 (KCNA) — Premier of the Administration Council of the DPRK Kang Song-san sent a message of greetings to Daniel Kablan Dunkan on his reappointment as prime minister of the Republic of Cote d'Ivoire.

The message expressed the belief that the friendly relations between the two countries will grow stronger and wished him success in his future work.

Meanwhile, Foreign Minister of the DPRK Kim Yong-nam also sent a message of greetings to Amara Essy on his reappointment as Foreign Minister of Cote d'Ivoire.

DPRK: Bangladesh People's League President Arrives

SK1402042096 Pyongyang KCNA in English 0356 GMT 14 Feb 96

[FBIS Transcribed Text] Pyongyang, February 14 (KCNA) — President of the Bangladesh People's League Garib Newaz arrived here on Tuesday.

He was met at the airport by secretary of the Central Committee of the Workers' Party of Korea Hwang Chang-yop.

DPRK: Foreign Economic Councillors Visit Revolutionary Museum

SK1402083196 Pyongyang KCNA in English 0819 GMT 14 Feb 96

[FBIS Transcribed Text] Pyongyang, February 14 (KCNA) — The Foreign Economic and Commercial Councillors' Corps in Pyongyang visited the Revolutionary Museum of the Ministry of the People's Armed Forces on Tuesday [13 February] on the occasion of the February holiday.

Members of the corps were shown round the historical materials and relics with deep interest, being briefed about the fact that the Korean revolutionary armed forces have been strengthened and developed into invincible ones under the wise leadership of the great leader Generalissimo Kim Il-song, the ever-victorious, iron-willed brilliant commander, and the great leader Marshal Kim Chong- il, supreme commander of the Korean People's Army [KPA].

Doyen of the corps Yevgeniy Bilim [spelling of name as received], trade representative of the Russian Embassy in Pyongyang, said that through the visit to the museum he could have a good knowledge of the boundless loyalty of the Korean people and servicemen to the leader.

"I extend wishes for a long life in good health to the great leader Comrade Kim Chong-il, supreme commander of the KPA, on the occasion of the significant February holiday," he said.

DPRK: Overseas Koreans Arrive in Pyongyang 13 Feb

SK1402045596 Pyongyang KCNA in English 0420 GMT 14 Feb 96

[FBIS Transcribed Text] Pyongyang, February 14 (KCNA) — Choe Hong-hui, president of the International Taekwondo Federation, Mun Myong-cha, Korean woman journalist in the U.S., and Chon Sun-yong, chairperson of the Canadian Headquarters of the National Alliance for the Country's Reunification (Pomminnyon), and her companion arrived here on February 13.

DPRK: Foreign Delegations Arrive in Pyongyang

SK1402045796 Pyongyang KCNA in English 0400 GMT 14 Feb 96

[Names as received]

[FBIS Transcribed Text] Pyongyang, February 14 (KCNA) — A delegation of the Funcinpec Party of Cambodia led by Omrasady, director of the external relations and information department of the party and chairman of the Foreign Affairs, International Cooperation and Information Committee of the National Assembly of the Kingdom of Cambodia; a delegation of the Palang Dharma (Righteous Force) Party of Thailand led by Krasae Chanawongse, deputy leader of the party; and a delegation of the Struggle for the Peace and Socialism of Italy led by Luigi Di Cesare, member of its secretariat, arrived here on Tuesday.

Kenichi Ogami, secretary general of the International Institute of the Chuche Idea, and his companion and a congratulatory delegation of the Mongolia-Korea Friendship Society led by O. Cherma, arrived here on the same day.

DPRK: Kim Chong-il Given Gift by PRC Trade Union Federation

SK1302135796 Pyongyang KCNA in English 1029 GMT 13 Feb 96

[FBIS Transcribed Text] Pyongyang, February 13 (KCNA) — The Great Leader Comrade Kim Chong-il received a gift from the All-China Federation of Trade Unions on his birthday.

It was handed to an official concerned by its Vice-Chairman Yang Xingfu on a visit to Korea.

DPRK: Foreign Attaches Send Flowers, Letter to Kim Chong-il

SK1502041696 Pyongyang KCNA in English 0303 GMT 15 Feb 96

[FBIS Transcribed Text] Pyongyang, February 15 (KCNA) — The great leader Comrade Kim Chong-il received a floral basket and a congratulatory letter from the Economic and Commercial Counsellors' Corps in Korea on his birthday.

The floral basket and the letter were handed to an official concerned by Russian Trade Representative Evgeny Bilim, who is heading the Economic and Commercial Counsellors Corps, on Feb. 14.

The doyen of the corps said they are greeting the significant holiday of February with the Korean people and extend warm congratulations to Comrade Kim Chong-il on his birthday.

DPRK: Diplomats, Military Attaches Send Kim Chong-il Flowers

SK1402043996 Pyongyang KCNA in English 0403 GMT 14 Feb 96

[FBIS Transcribed Text] Pyongyang, February 14 (KCNA) — The great leader Comrade Kim Chong-il received a floral basket and a congratulatory letter from the diplomatic corps in Korea on the threshold of his birthday.

They were handed to Kim Yong-nam, member of the Political Bureau of the Central Committee of the Workers' Party of Korea, vice- premier of the Administration Council and foreign minister, by Russian Ambassador to Korea Yuriy Fadeyev on behalf of the diplomatic corps on February 13.

The ambassador said that the birthday of His Excellency esteemed Kim Chong-il is the greatest national holiday of the Korean people and wished the Korean people greater success in the socialist construction under his leadership.

Comrade Kim Chong-il also received a floral basket and a congratulatory letter from the corps of military attaches of foreign embassies in Pyongyang on the occasion of his birthday.

They were handed to Choe Kwang, minister of the People's Armed Forces, by military attache of the Vietnamese Embassy in Pyongyang Tran Thuc, doyen of the corps of military attaches on February 13.

DPRK Events Celebrate Birthday of Kim Chong-il

SK1402082996 Pyongyang KCNA in English 0817 GMT 14 Feb 96

[FBIS Transcribed Text] Pyongyang, February 14 (KCNA) — Activities are underway in the Democratic People's Republic of Korea to grandly celebrate the birthday of the great leader Comrade Kim Chong-il (February 16, 1942).

With the nation's greatest holiday drawing nearer, his old home in the secret camp of Mt. Paektu, which is the time-honored holy place of revolution, Kim Il-song University, Changsan, Ihyon, Hasin and other places with relics associated with his revolutionary activities have been visited by many people with deep reverence for him.

Colorful events have taken place throughout the country.

A national art show for the celebration of February 16 has opened in Pyongyang under the title "Guided by the Great Brilliant Commander", inundated by many visitors every day. A national photo exhibition is also open.

Screened at cinema houses throughout the country during the ten- day film show are documentary films showing Comrade Kim Chong-il's greatness, wise leadership and strong sense of revolutionary fidelity including "Broad Embrace for the People" (four parts) and "Great Leadership Making Our Party Invincible" and more than 20 feature films including the parts on the working class from the multi-part feature film "The Nation and Destiny", "Guarantee", "Story About a Flower" and "Sons of a Guardsman".

The Mansudae Art Troupe, the State National Art Troupe, the State Theatrical Company and other national and local art troupes will shortly begin music and dance performances based on national characteristics and a many-act comedy of a new form. And some 10,000 schoolboys and schoolgirls will begin a mass gymnastic display soon.

Seminars on Comrade Kim Chong-il's outstanding ideological and theoretical activities and undying revolutionary feats have been held.

People, servicemen, youths and students in all parts of the country have sent congratulatory messages and letters to Comrade Kim Chong-il, who has performed imperishable exploits for the country and revolution and for the time and history, wishing him good health and a long life and making a pledge of faith to remain loyal to his leadership, holding the red flag high.

Newspapers, radios and other media of the country have carried special write-ups and broadcast special programs every day on the revolutionary activities of Comrade Kim Chong-il, who is energetically working for the prosperity of the country and the happiness of the people.

Streets and villages are in a festive mood, bedecked by posters, large pictures and decorations.

DPRK National Meeting Marks Kim Chong-il's Birthday

SK1502092396 Pyongyang KCNA in English 0904 GMT 15 Feb 96

["National Meeting Celebrating Comrade Kim Chong-il's Birthday" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, February 15 (KCNA) — A national meeting is going on at the 6,000-seat theatre of the April 25 House of Culture in Pyongyang to celebrate the 54th birthday of the great leader Comrade Kim Chong-il.

Placed on the platform of the meeting hall are portraits of the great leaders President Kim Il-song and Comrade Kim Chong-il against the background of the party flag.

Present there are Yi Chong-ok, Pak Song-chol, Kim Pyong-sik, Choe Kwang, Kim Yong-nam and other party and state leading officials.

Choe Tae-pok, alternate member of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea [WPK], is delivering a report on the subject "The Cause of People Under a Great Leader Is Invincible".

DPRK: Meeting Marking Kim Chong-il's Birthday Detailed

SK1502113696 Pyongyang KCNA in English 1124 GMT 15 Feb 96

["National Meeting Held To Celebrate Birthday of Comrade Kim Chong-il" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, February 15 (KCNA) — A national meeting was held today at the 6,000-seat theatre of the April 25 House of Culture in Pyongyang to celebrate the 54th birthday of the great leader Comrade Kim Chong-il.

Placed on the platform of the meeting hall were portraits of the great leaders President Kim Il-song and Comrade Kim Chong-il against the background of the party flag.

Present there were Yi Chong-ok, Pak Song-chol, Kim Pyong-sik, Choe Kwang, Kim Yong-nam and other party and state leading officials.

Choe Hong-hui, president of the International Taekwon-to Federation, delegations and visiting groups of the General Association of Korean Residents in Japan (Chongnyon) and overseas Koreans were also present.

Choe Tae-pok, alternate member of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea, made a report on the subject "The Cause of People Under a Great Leader Is Invincible".

The reporter said:

All the revolutionary activities of the respected Comrade Kim Chong-il are shining bright as the most sacred and glorious history of the great successor, the distinguished leader of the party and the people who regards it as his lifelong mission to carry forward and accomplish the revolutionary cause of chuche pioneered by Comrade Kim Il-song and is successfully carrying it into effect.

Our party and people regard it as their greatest honor and dignity that they are successfully carrying forward and accomplishing the cause of Comrade Kim Il-song as the party, the state and the Army are headed by Comrade Kim Chong-il, who has shouldered the heavy burden of the party and the revolution and wisely led to victory the cause of building the party, the Army and socialism for 30 odd years, aiding Comrade Kim Il-song at his side.

Our people could rise up as giants, overcoming their sorrow in July 1994, the year of bitterest tears in the national history spanning five thousand years. This is because they cherished the unshakable faith that they are guided by General Kim Chong-il, who is as great as Comrade Kim Il-song.

Comrade Kim Chong-il is Comrade Kim Il-song today as the former has the same ideology, aim and intention as the latter.

Comrade Kim Chong-il is the most faithful advocate of and the greatest successor to the revolutionary idea of Comrade Kim Il-song.

Comrade Kim Chong-il is a great man of ability who is turning a great idea into a great reality. He is the master of leadership and the genius of creation and construction who has such perfect and seasoned leadership ability, ever-victorious brilliant tactics, matchless grit, extraordinary organisational ability and staunch revolutionary sweep as Comrade Kim Il-song's.

He attached importance to the military affairs from long ago and put his soul and body into the chuche-based building of the revolutionary armed forces and thus strengthened the People's Army into the army each of whose member is so firmly prepared in politico-ideological terms and in military technique that he is an equal for a hundred foes. This is a powerful military guarantee for a constant advance of the socialist cause of chuche in any worldwide upheaval and a precious gain of the revolution which makes all people feel reassured.

Comrade Kim Chong-il is not only a genius of creation, a great brilliant commander and the most veteran and experienced leader of revolution but also a paragon of the socialist political leader with noblest benevolence and the people's kind leader.

Always cherishing the sacred cause of national reunification to which Comrade Kim Il-song devoted all his efforts and energies till the last moments of his life, Comrade Kim Chong-il put forward the outstanding policies and strategies to meet the requirement of the developing revolution and situation and is making every possible effort to open up a new phase in achieving great national unity and reunification.

He scientifically analyses the complicated situation in the international community with his clairvoyant intelligence and indicates the future of the worldwide cause of socialism and the cause of independence against imperialism. His distinguished leadership trait gives confidence in the future and victory to hundreds of millions of people who are struggling to restore socialism and achieve world peace and progress.

The reporter stressed the need to remain loyal to the leadership of Comrade Kim Chong-il and carry forward and accomplish the revolutionary cause of chuche pioneered and led by Comrade Kim Il- song.

The reporter quoted Comrade Kim Il-song as saying:

"Our party members and other working people should trust, follow and uphold only their leader Comrade Kim Chong-il invariably with intense loyalty both in peace time and in the seriously trying time."

The reporter further said:

All the party members and people should remain loyal to the idea and leadership of Comrade Kim Chong-il in one mind, cherishing it as the rock-firm faith that their destiny, the bright future of the country and the nation and the final victory of the revolutionary cause of chuche are guaranteed as they have him.

They should firmly defend the respected supreme commander Comrade Kim Chong-il, their destiny and their supreme leader, politically and ideologically and at the cost of life any time and anywhere and become true loyal subjects and filial sons and daughters who are stoutly taking the road of revolution, absolutely trusting in him.

They should strive to accelerate the cause of national reunification by concerted efforts of all the fellow countrymen under the banner of the three principles of national reunification and the ten-point programme of the great unity of the whole nation indicated by Comrade Kim Il-song and strengthen solidarity with the international revolutionary forces to build a free, peaceful and friendly, new world freed from all manner of domination and subjugation.

Our party and people will uphold the leadership of Comrade Kim Chong-il, live and struggle under the idea of the red flag of our revolution associated with the whole life of Comrade Kim Il-song and accomplish the socialist cause of chuche under this red flag which has always been recorded with victories.

DPRK: Visitors Pay Homage to Kim Il-song at Mansu Hill

SK1402041496 Pyongyang KCNA in English 0354 GMT 14 Feb 96

[FBIS Transcribed Text] Pyongyang, February 14 (KCNA) — Kenichi Ogami, secretary general of the International Institute of the Chuche Idea, and his companion, a congratulatory delegation of the Mongolia-Korea Friendship Society, Choe Hong-hui, president of the International Taekwondo Federation, Chon Sun-yong, chairperson of the Canadian headquarters of the National Alliance for the Country's Reunification, and her companion and Mrs. Mun Myong-cha, a Korean journalist in the U.S., visited the statue of the great leader President Kim Il-song on Mansu Hill, laid bouquets and made bows before it.

DPRK: Foreign Delegations Visit Kim Il-song Statue

SK1402044496 Pyongyang KCNA in English 0411 GMT 14 Feb 96

[FBIS Transcribed Text] Pyongyang, February 14 (KCNA) — Foreign party delegations and leaders laid floral baskets and bouquets and bowed before the statue of the great leader President Kim Il-song on Mansu Hill on February 13.

Among them were a delegation of the Communist Party of Portugal headed by secretary general of its Central Committee Carlos Carvalhas, general secretary of the Central Committee of the new Communist Party of Great Britain Eric Trevett, president of the Bangladesh People's League Garib Newaz, a delegation of the People's Party of Cambodia headed by member of the Standing Commission of its Central Committee Ngon Nhel, a delegation of the Funcinpec Party of Cambodia headed by director of the External Relations and Information Department of the party and chairman of the Foreign Affairs, International Cooperation and Information Committee of the National Assembly of the Kingdom of Cambodia Omrasady, a delegation of the Palang Dharma (Righteous Force) Party of Thailand headed by deputy leader of the party Krasae Chanawongse, and a delegation of the Struggle for the Peace and Socialism of Italy headed by member of its secretariat Luigi Di Cesare.

DPRK: Yi Chong-ok, Others Attend Figure Skating Tournament

SK1202150296 Pyongyang Korean Central Broadcasting Network in Korean 1100 GMT 12 Feb 96

[FBIS Translated Excerpt] The Fifth Paektusan Prize International Figure Skating Tournament opened in Pyongyang on the occasion of the great leader [yongdoja] Comrade Kim Chong-il's birthday. [passage omitted on the significance of holding the tournament]

On the afternoon of 12 February, the opening ceremony of the Fifth Paektusan Prize International Figure Skating Tournament was held at the ice rink. [passage omitted describing the scene at the ice rink]

Comrade Yi Chong-ok, member of the Political Bureau of the Workers Party of Korea [WPK] Central Committee and vice president; Comrade Kim Yong-nam, member of the Political Bureau of the WPK Central Committee, vice premier of the Administration Council, and foreign minister; Comrade Kim Chung-nin, secretary of the WPK Central Committee; Comrade Chang Chol, vice premier of the Administration Council; Pak Myong-chol, chairman of the State Sports Committee; Yun Ki-chong, chairwoman of the Korea Figure Skating Association and minister of finance; and other functionaries concerned participated in the opening ceremony. In addition, diplomatic envoys from various countries in the DPRK were invited to the opening ceremony. [passage omitted describes scenes of opening ceremony and the opening speech by Mun Chae-tok, chairman of the Organization Committee of the tournament and vice chairman of the State Sports Committee]

DPRK KPA Generals Hold Meeting at Mt. Paektu Secret Camp

SK1502043396 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 14 Feb 96

[FBIS Translated Excerpt] A meeting of officers and men of the Army, Navy, and Air Force of the Korean People's Army [KPA] took place to express their resolve amidst the firing of congratulatory guns in the February skies over the Mt. Paektu Secret Camp.

A congratulatory function which will shine forever in history took place yesterday [14 February] at the Mt. Paektu Secret Camp, the time-honored sacred revolutionary place. [passage describing the scene of the meeting and rendering praise to Kim Chong-il omitted]

Present at the meeting were KPA Vice Marshal Comrade Cho Myong- nok, director of the KPA General Political Department; KPA Vice Marshal Comrade Kim Yong-chun, chief of the KPA General Staff; KPA Vice Marshal Comrade Kim Kwang-chin, first vice minister of the People's Armed Forces; KPA Vice Marshal Yi Ha-il; Generals Kim Ha- kyu and Yi Chong-san; Colonel General Pak Chae-kyong; and other generals; anti-Japanese fighters; Yi Kil-song, chief secretary of the Yanggang Province WPK Committee and chairman of the Yanggang Province People's Committee, and other senior officials of regional party, government, and administrative and economic institutions and workers organizations. [passage further describing the scene of the meeting omitted]

KPA Vice Marshal Cho Myong-nok spoke first at the debate session. He stressed the need for all officers and men of the Army, Navy, and Air Force to believe that neither our country, our fatherland, nor we ourselves would exist if it were not for the respected and beloved comrade supreme commander; to learn the spirit of O Chung-hup's Seventh Regiment, which resolutely defended the revolutionary headquarters in the forests of Mt. Paektu; and to become rifles and bombs and fortresses and shields under any stern trial or difficulties to resolutely defend the comrade supreme commander.

General Yi Chong-san, an anti-Japanese revolutionary fighter, spoke next at the debate session. [passage on contents of the speech omitted]

DPRK: Kim Kwang-chin Attends Armed Forces Banquet

SK1502043496 Pyongyang KCNA in English 0312 GMT 15 Feb 96

[FBIS Transcribed Text] Pyongyang, February 15 (KCNA) — The Ministry of the People's Armed Forces gave a banquet on Wednesday on the occasion of the birthday of the great leader Comrade Kim Chong-il, chairman of the National Defence Commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army [KPA].

Military attaches of embassies of different countries here were invited to the banquet.

Present there were Vice Marshal of the KPA Kim Kwang-chin, first vice-minister of the People's Armed Forces, and other generals and officers.

Speeches were made at the banquet.

A joint art performance was given.

DPRK: City, County Implement 'Power Conservation Struggle'

SK1502050096

[FBIS Report] Pyongyang MINJU CHOSON in Korean in page 3 of its 26 Jan 96 edition carries two news reports on the power conservation struggle carried out as a mass campaign in Kanggye city and Suan county.

In a 600-word news report, an anonymous reporter reports that Kangye city is struggling to save electricity. The reporter reports that the city power consumption has been reduced by 5 percent in a recent one-month period alone, when compared to the corresponding period of last year. The reporter adds that the city has saved as much as 120,000 kilowatt-hours of electricity during this one-month period.

The reporter goes on to add: "Presently, all plants and enterprises in the city, deeply realizing that saving electricity is one of the important tasks to make our country even richer and more powerful, are creating a tremendous amounts of electricity reserve by properly organizing staggered production and by vigorously waging the technical innovation campaign."

Kanggye disabled veterans clothing plant, Kanggye pencil plant, and Kanggye knitwear plant are reported to have saved a large amount of electricity by working out adequate technical measures to reduce per-item electricity consumption rate. According to the reporter, Kanggye cement plant and Kanggye steel plant are also struggling to reduce per-item electricity consumption rate.

The reporter reports that Kanggye soy sauce plant and Kanggye caustic soda plant are creating a large amount of electricity reserve by replacing unnecessarily large electric facilities with reasonable ones.

In another 600-word news report, reporter Sung Tuk-pyo reports on Suan county which has saved more than 130,000 kilowatt-hours of electricity every year.

According to reporter Sung, Susan county is actively finding the way of saving electricity by improving the electricity distribution system. Functionaries and workers of the county have finished the work of increasing the voltage stages of six kilometer-long Yonghyon power supply lines.

The reporter reports that Suan county has become able to save more than 360,000 kilowatt-hours of electricity annually only by increasing the voltage stages of the Yonghyon power supply lines.

According to the reporter, plants, enterprises, and mines in the county are making efforts to systematically reduce power consumption rates and to reasonably organize staggered production.

Suan county is also making efforts to eliminate unnecessary electric facilities and to replace oversized electric facilities with the right ones.

DPRK Article: DPRK Blessed With 'Greatest Men in the World'

SK1502092996 Pyongyang KCNA in English 0915 GMT 15 Feb 96

["Our Country Is Blessed With the Greatest Men in the World, Says Chongnyon Chairman" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, February 15 (KCNA) — NODONG SINMUN today devotes one whole page to an article titled "Our Country Is Blessed With the Greatest Men in the World" contributed by Han Tok-su, chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon), on the occasion of the 54th birthday of the great leader Comrade Kim Chong- il.

In the article he says Korea, called a country of the sun, is blessed with the greatest men in the world through generations. This is a definition which stemmed from what I have experienced, living in an alien land for scores of years, enjoying the leadership of the great Generalissimo Kim Il-song and the respected General Kim Chong-il, he says.

Recollecting his life representing the life of overseas Koreans and the history of the movement of Koreans in Japan, he writes about the greatness of Generalissimo Kim Il-song.

When the Japan-resident Koreans' movement was at stake due to the ultra-left adventurous line of some people, Generalissimo Kim Il- song advanced a policy of a switchover in the line and corrected the orientation of the movement from the wrong path so that it might serve the Korean revolution.

Han Tok-su felt very proud to hear that Generalissimo Stalin of the Soviet Union and Chairman Mao Zedong of China fully supported his policy and highly respected him.

Generalissimo Kim Il-song formed Chongnyon, an organization of chuche, in the middle of the 1950s. In the difficult period of the postwar rehabilitation and construction in the homeland, he sent educational aid fund and stipends to Korean children in Japan and kept the nationality and patriotism pure in Chongnyon. He also opened a new history of an exodus of nation from capitalism to socialism through which many compatriots returned home.

When Han paid the first visit to the homeland, Generalissimo Kim Il-song met him for hours and told him how to develop the movement of Koreans in Japan, taking a good care of their work and life and showing great benevolence for them with paternal love.

In his article Han writes that the fatherly leader Generalissimo Kim Il-song was the greatest man and sage who indicated the way to be followed by new Korea in the time of upheaval, seeing the country standing in the centre of the world.

He further writes:

Each time I visited the homeland, I was honored to see General Kim Chong-il standing by Generalissimo Kim Il-song. Then, I felt that having another greatest man, our people and our homeland were blessed with the greatest men through generations.

I was affected by his eyes full of intelligence and energy, his face showing great magnanimity and warm-heartedness and his elastic and refined manners with a disposition befitting the ordinary people and high spirit. So, I thought that he was really a peerless great man who was carrying forward the cause of the fatherly leader Kim Il-song, with qualification and traits enough to govern the world and guide all the people.

The features of a great man are the features of his country. The greatness of General Kim Chong-il, who is highly praised by all the people as the "sun of humankind" for the great feats he has performed with his great leadership, is the only source and secret of the prosperity of the country blessed with the greatest men.

As the homeland is blessed with the greatest men, Chongnyon is also shining as an organization of overseas compatriots of the country guided by the greatest men. The letter General Kim Chong-il sent to Chongnyon on the occasion of its 40th anniversary last year is a great programme which indicates the orientation of the overseas compatriots' movement not only at present but in the 21st century.

The world people are highly respecting him as a peerless man who is great for his ideas and politics and is also great for his moral sense of loyalty and filial duty.

His moral obligation to hold Generalissimo Kim Il-song in high esteem for all ages with strong sense of loyalty and filial duty reached the acme when the Kumsusan Memorial Palace was built as the supreme temple of chuche.

Only when great men are held in high esteem as the great leader through generations, can the country prosper under their leadership and can the people enjoy the greatest happiness and glory under their leadership, with the pride of being members of the country guided by them. This is what I have felt in my life. The Korean people are obliged to treasure and glorify their country blessed with the greatest men for ever.

South Korea

ROK Article Views Presence of U.S. Military Bases in Seoul

SK0202012496 Seoul THE KOREA TIMES in English 2 Feb 96 p 3

[Second in a series of articles on the presence of U.S. troops in the Republic of Korea and their effect on the country; by staff reporter O Yong-chin: "Military Posts in Seoul Outstanding Issue To Be Resolved To Further Alliance"]

[FBIS Transcribed Text] The presence of United States military installations in the heart of the capital is an important issue Korea and the United States, partners in the preservation of peace on the Korean peninsula, have to resolve to strengthen their alliance even further.

Although many Koreans appreciate the important role the U.S. forces here play in deterring North Korean threats, they feel uneasy about Korean soil being home to foreign troops.

There are a total of 98 U.S. military bases composed of 82 Army, 14 Air Force and two Navy posts, occupying 60,260 acres or 73,758,580 pyong (one pyong equals 3.3 square meters) in Korea, according to data provided by U.S. Forces Korea [USFK].

The U.S. bases in Seoul, occupying a total space of 772,418 pyong, are composed of Main Post, South Post and Camp Coiner, located in Yongsan. The three posts accommodate the USFK headquarters, medical facilities, and military units that control and support U.S. troops stationed in Korea. This land belongs to the Defense Ministry and is used by the U.S. for free.

Those opposed to U.S. forces being stationed in Seoul argue that they are like a pain in the stomach, not appropriate for a country which is a sovereign state, and that they block the well-balanced urban development of Seoul.

History also adds to their opposition as the U.S. Yongsan bases stand on the same site Japanese troops used during the Japanese colonial reign of terror over Korea.

Student activists who call for total withdrawal of foreign forces from Korea rally on a regular basis together with residents who are motivated by the prospect of financial gains, demanding the U.S. move out of Korea.

Sol Song-ung, governor of Yongsan Ward, home to the U.S. Yongsan bases, said, "Although I understand the importance of U.S. forces in defending Korea, there is no denying that their Yongsan facilities block the development of our district. "

Every pyong of the U.S. Yongsan facilities is worth about 7 million won [US$9000] and the total is worth 5.407 trillion won (6.8 billion dollars), according to Yongsan Ward Office. This is also about half of the value of all the land in Yongsan Ward.

Sol recently proposed to the Seoul city administration that it build a new City Hall on a site of about 35,000 pyong to 50,000 pyong taken from the U.S. base.

"We are not demanding that U.S. forces move out of the Yongsan area completely but that they give back land that is unnecessarily occupied by them," Sol said.

The Korean Central Government is attempting to move U.S. military facilities out of Seoul but its plans are mired in procedural problems.

Maj. Gen. Son Mun-song, director of the installation bureau of the Defense Ministry, said, "Korea and the United States agreed in principle that all the bases will be moved out of Seoul and that all expenses will be paid by Korea."

"Accordingly Korea took back 96,859 pyong of a golf course from the U.S. and turned it into Yongsan Family Park in the first phase of the removal plan," Son said.

He said that the second phase has been delayed because of discrepancies between what the U.S. is demanding and what Korea can offer.

"We can't provide every brick of the new facilities that they want," he added.

When the two sides made the 1990 agreement, unofficial estimates of the moving expenses went up to as high as 11 billion dollars.

It is said that Korea backed off from the deal due to lack of budget, deciding to wait until the security situation on the Korean peninsula improved and, thus, the need for U.S. troops here diminishes, if it doesn't disappear completely.

Some Korean military observers say that the U.S. is reluctant to move its Yongsan facilities where it has installed a lot of very sophisticated military and intelligence equipment over the years.

USFK commented that it is willing to move its Yongsan posts anywhere Korea wants but that the full cost must be borne by Korea as agreed under the joint agreement and the U.S. Status of Forces Agreement.

It said that the Korean Government had notified the U.S. that it no longer intends to relocate the U.S. Yongsan posts outside of Seoul for the time being.

The USFK official position on the issue reflects some hard feelings they harbor toward Korean activists with their persistent calls for their withdrawal.

A spokesman said that Korea could be see as being ungrateful in view of the efforts made U.S. troops to defend Korea against outside threats.

ROK: U.S. Senator Bob Dole Interviewed on ROK-U.S. Ties

SK1202144996 Seoul TONG-A ILBO in Korean 12 Feb 96 p 3

[Interview with U.S. Senator Bob Dole, who is campaigning to be nominated as the Republican Party's candidate in the U.S. presidential election, by Yi Chae-ho on 10 February in Des Moines, Iowa]

[FBIS Translated Excerpt] "I believe the U.S. forces stationed in the ROK should not be withdrawn because their existence is a very important element not only for the ROK's security, but also in the U.S. strategy in East Asia." On 10 February, Senator Bob Dole (73), who is the front runner in the campaign to be nominated as the Republican Party's candidate in the 1996 U.S. presidential elections, revealed his position regarding the U.S. forces stationed in the ROK.

On 12 February, he was carrying out last minute campaigning at a farmhouse in Kent, which is about 60km from Des Moines, Iowa, where the Iowa state caucus is to take place. While talking to approximately 200 farmers about the future of the United States, I asked him about some pending issues regarding the ROK and the United States. General Davis, the former commandant of the U.S. Marine Corps who was also chairman of the building committee for the Korean War Memorial, which was erected in Washington in July of last year, was also present.

[Yi Chae-ho] How much weight does the Korean peninsula issue have in your campaign pledges regarding diplomatic policy?

[Bob Dole] The ROK is an important country to us. Allied relations between the ROK and the United States made decisive contributions to maintaining peace in this region for the past half century. I do not believe that rapid change is necessary in U.S. policy regarding the

Korean peninsula, including the issue of the U.S. forces stationed in the ROK.

[Yi] Recently, the Clinton administration decided to provide $2 million in food aid to the North.

[Dole] Frankly speaking, I am not satisfied with this. I don't think it will be of much help in resolving the issue. The $2 million may go into someone else's pockets and not to the North Korean people who are starving.

[Yi] Are you satisfied with the speed of the ROK's market opening?

[Dole] Yes, I am satisfied. I believe that during the past several years, the ROK made sincere efforts to dissolve ROK-U.S. trade friction. However, more effort must be made. I believe markets for agricultural products and automobile are one target for opening. [passage omitted on Dole's view of President Clinton's state of affairs and on Dole's strong points as candidate for the presidency]

ROK: KFTA Requests End to U.S. Antidumping Probes

SK1202073496 Seoul YONHAP in English 0554 GMT 12 Feb 96

[FBIS Transcribed Excerpt] Seoul, Feb. 12 (YONHAP) — The Ministry of Trade, Industry and Energy [MOTIE] announced Monday that it plans to finance 200 billion won (256.41 million U.S. dollars) in aid to boost the localization of capital goods, which are heavily dependent on imports. That will apparently be an attempt to reduce South Korea's snowballing trade deficit with Japan.

The ministry is going to select and will next month announce 100 strategic items eligible for 2 billion won and 200 general items for 500 million won in assistance per item, a ministry official said.

"Thus far, we've provided an average of 130 million won per item mainly to small businesses in technology localization funds, but the policy has yet to reduce the country's trade deficit with Japan. So we've decided to target strategic items from small number of companies, breaking with the current policy which provides small amounts to many firms," the official explained.

This year industrial machinery, auto machinery and electronic and automobile parts will be targeted.

The growth rate of capital goods imports was tentatively calculated to be almost 30 percent last year, compared with 24.3 percent in 1994 and 3.2 percent in 1993, the official said. [passage omitted]

The Korea Foreign Trade Association (KFTA) has requested that the United States stop its ongoing anti-dumping circumvention probes into South Korean-made color television sets.

The request came during a KFTA International Trade Subcommittee meeting held Monday at the KFTA headquarters.

It was alleged that the U.S. investigations are one-sided efforts taken only in accordance with the U.S. domestic law, and thus chances are high that such moves violate World Trade Organization (WTO) agreements.

They also pointed out that the U.S. Government's prolonged anti-dumping investigations of Samsung electronics-manufactured color TV sets are aiming to regulate products, which are being imported via third nations. America must withdraw its anti-dumping restraints on the Samsung product since the South Korean company has already been judged with de-minimus margins [as received] of 0.5 percent over the last three years, the participants stressed.

They also warned that the anti-dumping circumvention regulation system can be abused as a way for nations to regulate imports if the WTO introduces the system. The existing "rules of origin" are adequate for addressing dumping circumvention issues, they noted.

ROK Article Studies Issue of 'Team Spirit' Continuation

SK1402033496 Seoul THE KOREA TIMES in English 14 Feb 96 p 2

[The fifth of a series of articles on the U.S. troops' presence in Korea by staff reporter O Yong-chin, entitled: "Team Spirit Exercise Likely To Be Terminated or Reduced in Near Future"]

[FBIS Transcribed Text] The largest Korea-U.S. joint military exercise, "Team Spirit," considered an expression of the allies' will to preserve peace against the communist North Korea is likely to be terminated or reduced in size in the near future as the political situation has changed drastically since its birth 20 years ago.

The first Team Spirit [TS] was organized and conducted in 1976 on the heels of the fall of Saigon. Leaders in Korea and the United States agreed to the need for a massive demonstration of the two countries' combined will to prevent the recurrence of war on the Korean peninsula.

Questions first arose about the continuation of the defense- oriented war game, that had apparently long provoked North Korea, in 1992 as the North and the United States wrestled over a freeze of its nuclear weapons program.

Although Team Spirit was resumed the following year due to a lack of progress in negotiations, it was put on hold in both 1994 and 1995. It is said in military circles that this year's Team Spirit will also be canceled.

The continued suspension of Team Spirit is aimed at extracting further cooperation from the North to ensure transparency of its nuclear program and a freeze of weapons development.

This attitude was made clear during the ROK-U.S. Security Consultative Meeting last November when Defense Minister Yi Yang-ho and his U.S. counterpart William Perry announced that Team Spirit '96 would be held unless the North gave up its nuclear program.

The announcement, albeit perhaps intended as a threat, was widely interpreted as exhibiting the rhetoric of appeasement.

But, if this new political necessity is the primary reason for the possible termination of Team Spirit, a secondary reason would be the doubts even among top military brass about the effectiveness of the costly exercise.

During the 1993 exercise, the last staged, about 120,000 troops, 50,000 U.S. and 70,000 Korean soldiers, took part with a naval armada including a carrier and Air Force contingent of bombers and fighters.

Many of the U.S. troops participating in the exercise were from the mainland U.S. as the scenario was that the North had invaded and troops from the South and the U.S. were countering it with the help of U.S. reinforcements.

"Although I admit that Team Spirit provides the combined Korea and U.S. forces with an opportunity to experience a situation as close to war as it is possible to get, I believe that it could be replaced by a less costly command post exercise or CPX simulation game," a senior Defense Ministry official said.

An Army colonel who has participated in five Team Spirits agreed with that assessment but for a different reason. "Judging from my infield experience, I would say Team Spirit's effectiveness is much exaggerated."

Amid this pessimism are reports of differences between Korea and the United States on how to share the cost of the exercise. Korea spent about 10 billion won on the exercise while the United States footed a bill estimated to be over three times that. The U.S. has reportedly wanted Korea to pay a larger share should the next Team Spirit be held.

However, both Korea and the United States do not appear to be ready to announce the permanent termination of the exercise because of its value as a political "trump card" to pressure the North in case it reneges on its promise on the nuclear issue.

"We have few tools we can use with the North. Team Spirit is one of those few and is too good to forsake. Instead, it is desirable for us to keep it as long as it has an effect even if we don't conduct the exercise," said a ministry official responsible for Team Spirit exercises.

The sober view is that the exercise is likely to be suspended for three years in a row, which will make it difficult for the two allies to organize and conduct a fresh Team Spirit.

But to prevent a major violation on the part of the North, Korea and the U.S. will continue to hold the TS card close to the chest without making an official announcement about whether they are stopping TS permanently.

U.S. Ambassador Laney: No Change in U.S. Policy Toward DPRK

SK1502121896 Seoul YONHAP in English
1212 GMT 15 Feb 96

[FBIS Transcribed Text] Seoul, Feb. 15 (YONHAP) — U.S. Ambassador James Laney said Thursday he had recently informed President Kim Yong-sam that there is no change in American policy toward North Korea and that Washington would carry out North Korea policy programs only through close consultations with the Seoul government.

The American ambassador made the remarks during his call on Rep. Yi Myong-pak at his Chongno Electoral District Office. Yi is running in the coming general elections from Chongno on the ruling New Korea Party ticket.

Rep. Yi quoted Laney as saying, "We do not carry on our policy toward North Korea one-sidedly. We consult with the Seoul government fully in advance."

The envoy said that he had informed President Kim thereof in the recent past.

Laney's call on Yi was the first visit ever made by an American ambassador to the office of a ruling party candidate's campaign office.

ROK: DPRK's Song Hye-rim 'Not Yet Decided' on Destination

SK1502024696 Seoul YONHAP in English
0226 GMT 15 Feb 96

[FBIS Transcribed Text] Seoul, Feb. 15 (YONHAP) — Song Hye-rim, 59, former wife of North Korean leader Kim Chong-il, reportedly staying in a European country in her bid for political asylum, has not yet decided on her destination, intelligence officials here said Thursday.

A Seoul team has got in touch with Song and her sister Hye-rang, 61, niece Yi Nam-ok, 30 and an aide — through a third person in the unidentified European country, who confirmed that they plan to seek political asylum in the West but have not yet decided on a destination.

"Until they make a decision on their destination, we'll spare no effort to protect their safety and afterward their safe movement in close cooperation with the other governments involved," one official said.

If they make a decision on their destination, the government will do its best to ensure their safe movement in cooperation with related countries and the UN High Commissioner for Refugees.

A government official said that the whereabouts of Song and her family have been confirmed and that contacts can be made by telephone.

He would not elaborate on news reports indicating they are in the Netherlands or in France, to protect their personal safety.

ROK: DPRK's Song Hye-rim Prefers To Defect to 3d Country

SK1502020396 Seoul KBS-1 Radio Network in Korean 0000 GMT 15 Feb 96

[FBIS Translated Text] Song Hye-rim and her family, who fled their residence in Moscow, are reportedly staying in a European country and to some extent being protected by the country. A ROK Government official said that they are not completely exposed to danger. The official said that the ROK authorities are not protecting them, but are in contact with them in order to confirm their free will.

Song Hye-rang, the elder sister who reportedly led the escape, hopes to defect to the ROK, but Hye-rim reportedly prefers a third country because of her worsening illness and security reasons.

The ROK Government's principle is to respect their free will. Until they safely arrive in the country to which they want to defect, the government reportedly will maintain close cooperation with countries concerned for their security. A high-ranking ROK Government official said that their immediate defection to the ROK will be difficult because they need to reach an internal agreement before defecting to the ROK. The official said that, however, it is likely that they will stop in a third country for a while, and then defect to the ROK.

ROK Ministry Announces Korean Emigrants' Land Policy

SK0902070296 Seoul THE KOREA HERALD in English 9 Feb 96 p 8

[FBIS Transcribed Text] Effective Feb. 10, first-generation Korean emigrants will be able to maintain real estates they owned in Korea prior to their change of citizenship. Inheritance in the forms of land, house, or building can also be passed onto first-generation Koreans.

The Ministry of Construction and Transportation announced yesterday it is lifting the rule which required Korean emigrants to sell off their real estate holdings within a time limit.

"A barrage of complaints from Koreans from all over the world propelled the change," said an official at the ministry's land bureau.

The change also marks the very first case where foreign nationals, albeit born here, will be able to own real estates here. The change is not applicable to those overseas Koreans who never had Korean citizenship, even if they later acquired it.

In Los Angeles alone, which has the largest overseas Korean settlement of nearly 1 million, petitions had been flooding the Korean consulate there, he explained.

"A detailed guide book will be available through Korean embassies and consulates around this month," said the official, imploring overseas Koreans to stop directly contacting the ministry.

The prior regulation stipulated overseas-bound Koreans to sell off their real estates within three years since the time of citizenship change. Inherited real estate had be disposed within five years.

Since the Korean government does not recognize dual citizenship, the rule had been criticized by first generation emigrants as an outright infringement on property rights.

Real estate being regarded one of the most, if not the most, valuable asset in Korea, surrendering Korean citizenship had amounted to surrendering a substantial portion of one's property.

A great many reportedly found a loophole by leaving the properties under borrowed names. But that alternative too slipped out of their fingers with the 1995 implementation of the use of real names in real estate holdings.

It is unknown at this point what portion of some 5.2 million Koreans with foreign nationalities will be affected.

"But those who left the country in recent times are quite well off, and that group is most likely to benefit," speculated another ministry official.

Statistics by the Foreign Ministry show nearly 800,000 Korean emigrated overseas between 1962 and 1994. The number excludes those born overseas. Of the migrating Koreans, a vast majority of nearly 700,000 headed for the United States.

ROK Article Reviews Trends in Inter-Korean Trade

SK1402010596 Seoul SEOUL SINMUN in Korean 12 Feb 96 p 16

[Article by Researcher Yu Un-kol of the SEOUL SINMUN Institute of International Studies: "North Korea Avoids Inter-Korean Dialogue, But Is Active in Inter-Korean Trade]

[FBIS Summary] "Although dialogue has been suspended and tension continues between North and South Korea, trade has been increasing steadily in contrast with North Korea's ever-decreasing foreign trade with other countries because of its economic difficulty. Except in 1990 and 1993, when inter-Korean relations froze because of the North Korean nuclear issue, North Korean exports to the South have increased rapidly every year, resulting in the ROK becoming the second-largest importer of North Korean goods. Japan is the largest importer of North Korean goods. While rejecting dialogue with us at the government level, North Korea has been profiting economically by exporting its natural resources to the South and through processing trade with the South."

At present, the ROK's trade with North Korea is considered internal trade. "Inter-Korean trade, which began with the 7 July 1988 Presidential Decree, was at first done entirely in the form of indirect trade. With the initiation of processing on commission shipments to the North, which began in a full-fledged manner in 1989, inter-Korean trade amounted to $1.03 million in 1989. It has since increased rapidly, to $100 million in 1991, $200 million in 1992, and to over $300 million in 1995, despite a steady overall decline in exports to foreign countries."

North Korean exports in 1989 exceeded $2 billion, decreased to half that in 1991, and further decreased to $840 million in 1994. The ROK's share of North Korean exports was 0.13 percent in 1990, but it increased to 29 percent in 1995. In 1995, Japan ranked first in imports from North Korea, importing $280 million worth; the ROK ranked second, with $238 million; and China ranked third, with $60 million. However, in terms of overall trade amount, with both imports and exports combined, China ranked first with $490 million, Japan second with $480 million, and the ROK third with $310 million.

A noteworthy development in the ROK's trade with North Korea is that direct trade has been increasing conspicuously. Until 1993, inter-Korean trade was conducted mostly in the form of indirect trade through China and Hong Kong, but direct trade began to increase in 1994, and rose to 9 percent in 1995.

The ROK's imports from North Korea and exports to North Korea were 8:1 in 1994, representing a trade deficit for the ROK. However, the deficit decreased to 3.2:1 in 1995, because the North began importing chemicals, such as methanol; steel and metal such as steel pipes; washing machines; and wheat flour, because importing these goods from the ROK is more advantageous to North Korea than importing from other countries.

ROK imports from North Korea are mostly minerals, such as gold, zinc ingot; and farm produce. ROK exports to North Korea include wheat flour, confectioneries, cowhides, welding rods, electrical appliances, second-hand jeeps, refrigerators, bean oil, women's shoes, and cosmetics.

Another significant feature in inter-Korean trade is the rapid increase in ROK imports of goods processed on commission in North Korea. These goods, produced with materials shipped from the ROK and shipped back to the ROK in finished form, include clothing, footwear, accessories components, and helmet linings. Among the goods added to the list recently are speakers for color television sets.

This year LG Electronics is planning to assemble color television sets at a plant in Pyongyang on a processing on commission basis. Also this year, Daewoo plans to invest $5.12 million in the Nampo industrial complex to manufacture shirts, blouses, jackets, and bags, employing 1,300 North Korean workers and 29 Daewoo workers.

ROK trade with North Korea, including processing on commission, is expected to increase steadily. To facilitate inter-Korean trade, it is hoped that North Korea will resume the dialogue between the authorities of the North and the South and build confidence not only in politics, but in trade as well.

ROK Ambassador to Germany Comments on Germany-DPRK Ties

SK1302033096 Seoul THE KOREA TIMES in English 13 Feb 96 p 2

[FBIS Transcribed Text] Korea's new Ambassador to Germany Hong Sun-yong has advocated a phased unification similar to the integration of European countries rather than "unification by absorption" like Germany.

"I personally support a European-style reunification, which started with gradual economic integration. It will be a long time before the region turns into the United States of Europe," said Hong, who is in Seoul to attend the annual meeting of Korea's overseas mission chiefs.

The European Union (EU)'s case is a big lesson to future Korean unification, he said. "We will have to learn more from the European Union rather than from Germany's unification," he added.

"Even though there are some remaining economic and spiritual issues, Germany's unification is a thing of the past. The current issue is European integration, which will bring about far-reaching consequences to the world economy if Europeans countries introduce a single currency in the future," he said.

The ambassador ruled out the possibility that the German government would normalize its diplomatic relations with North Korea for the time being.

"Germany will set up diplomatic relations with North Korea if the reclusive country is reborn as a state abiding by international laws, renouncing terrorism, suspending the trade of strategic arms and missiles, and advocating human rights," he said.

However, he said that if the United States and Japan move to normalize their relations with North Korea, Germany will likely follow suit.

Currently, Germany and North Korea hold interest sections in the Swedish Embassy in Pyongyang and the Chinese Embassy in Berlin, respectively, which are apparently the remnants of the formal ties between North Korea and East Germany.

"North Korea appears to see Germany as the first country with which it should establish, diplomatic relations in Europe as it has maintained relatively close ties," he said. However, Germany has paid steady attention to North Korea in an apparent effort to recover its loans amounting to 100 million dollars, he said.

The ambassador said that the Korean Embassy, currently in Bonn, will move to Berlin in late 1998 or early 1999 before Germany will move its capital to Berlin in 2001.

Germany is Korea's fourth largest trading partner, with an annual two-way trade reaching 12 billion dollars. Hong said that there is no major trade dispute between the two countries despite the large volume of trade.

"Although I asked Germany to consider exporting such compact cars as the Volkswagen Golf, German businesses appear to be more interested in exporting the Mercedes-Benz or BMW," he said.

The ambassador said that he will ask the government to purchase an ambassador's residence while leasing the embassy even though the price of real estate in Berlin is four or five times higher than that of Bonn.

With regards to the heated campaigns between Korea and Japan to host the World Cup finals in 2002, the ambassador noted that the embassy is extending full support to the Korean soccer circle's efforts.

"Even though Japan is active in Germany, sponsoring some events and soccer leagues, it is not a matter of whether to spend more money or not," he said.

ROK Security Meeting Discusses DPRK, Tokto, Song Hye-rim

SK1502132296 Seoul YONHAP in English 1209 GMT 15 Feb 96

[FBIS Transcribed Text] Seoul, Feb. 15 (YONHAP) — The government Thursday afternoon examined the fast-changing situation of North Korea and studied ways to deal with possible mass escapes by North Koreans.

At a Unification and Security Policy Coordination meeting chaired by Prime Minister Yi Su-song, the government concluded that the military's voice is growing in the North at a time when Kim Chong- il's rise to full power is being delayed.

The meeting also observed that factors of social instability have been escalating in the North as can be seen in the recent series of escapes by North Korean officials.

Observing that a situation could come in the foreseeable future in which hundreds of North Korean may escape their country at the same time, the meeting resolved to have the National Unification Ministry compile the measures prepared by various offices to prepare against such a situation.

"We have exchanged opinions on the overall evaluation of the latest North Korean situation," Vice National Unification Minister Song Yong-tae said.

Attendees decided to pay attention to the fact that there is no change in the North's intransigent policy toward South Korea despite their economic and social difficulties.

The attendees also expressed concern about the support facilities being built to serve the war planes and long-range guns which the North redeployed in the forward areas late last year.

On the Tokto question, the meeting reaffirmed that the islet cannot be subject to a territorial dispute between Korea and Japan because the isle has been an inherent territory of Korea either historically or in the light of international law.

The attendees decided that if Japan, nevertheless, keeps raising the Tokto issue, the government would deal with it sternly, a government official said.

However, they shared the view that the friendly cooperative relations traditionally existing between the two countries shouldn't be undermined due to the Tokto question.

With regard to the reported escape by Song Hye-rim, former wife of Kim Chong-il, to the West, Vice Minister Song said, "We understand Song Hye-rang and her party have taken refuge in a third country."

Hye-rang is Hye-rim's sister, who is reportedly one of Hye-rim's escape party.

Stating that they have not let their whereabouts be known, Song said this is because they are afraid of pursuit by North Korean agents.

Vice Minister Song, however, did not mention any about Hye-rim herself during the press briefing, thus implying that Kim Chong-il's ex-wife may not be with the main escape party.

The meeting, held at the premier's Samchong-tong residence, was attended, besides Premier Yi, by Deputy Prime Minister Kwon O-ki, Foreign Minister Kong No-myong, Defense Minister Yi Yang-ho, Agency for National Security Planning Kwon Yong-hae, Chief Presidential Secretary Kim Kwang-il and Senior Chongwadae [presidential offices] Secretary Yu Chong-ha.

ROK: DPRK Defectors Attest to Realities of DPRK System

SK1502114996 Seoul TONG-A ILBO in Korean 14 Feb 96 p 5

[Report by Song Sang-kun and Cho Won-pyo]

[FBIS Translated Text] The news conference by Hyon Song-il, Choe Su-pong, and Cha Song-kun on 13 February sparked public interest as the three defectors gave details on the life of the upper class in North Korea.

The following is a summary of statements made by the three defectors made during interrogation by the Agency for National Security Planning.

Kim Chong-il's Ruling Style

In each government department, Kim Chong-il maintains a dual system for control and reporting, with an official channel and an unofficial channel comprised of his aides, so that the two can check each other and compete for loyalty to Kim Chong-il. In the case of the Foreign Ministry, 80 percent of instructions are "From Comrade Leader [chidoja] to First Vice Minister Kang Sok-chu." Foreign Minister Kim Yong-nam is said to be a puppet.

The Organization Department, Propaganda Department, Security Department, and the Three Revolutions Team of the Workers Party of Korea keep watch over each other. When the Organization Department sends officials to inspect provinces, the provinces have direct links to Kim Chong-il which they use to report on the inspectors' activities.

When a certain figure gains popularity, Kim Chong-il either purges the person, or sends him to a revolution indoctrination course to prevent any erosion of his leadership.

In 1992, when Kang Sok-chu made decisions without discussing them with the party's International Department, the International Department gave negative reports on Kang to Kim Chong-il. Kang then presented self-criticisms at the assembly hall of the Foreign Ministry and underwent a month of revolution indoctrination at a cooperative farm in Chungsan County, South Pyongan Province. Yun Sung-kwan, director of the party Organization Department, and Chang Song-taek, director of the First Organization Department, were also subjected to revolution indoctrination on charges of malfeasance. In August 1976, Hyon Chol-kyu was sent for revolution indoctrination at a cement plant in Chongjin on the charge of "violating unitary ideology." He returned to power in early 1982.

People's Reaction

The people used to have absolute reverence toward Kim Chong-il, but recently are complaining that "We are leading a poorer life since Kim Chong-il took charge of politics," and that "He is only interested in literature and art. He does not care for the economy at all."

Some time ago, posters were seen in Pyongyang subway stations picturing Kim Chong-il pulling a cart or sweating with a pack on his shoulder. A Kim Il-song University professor who posted the posters was caught in the act and was secretly executed.

Diplomatic Policy

When Pak Chol, associate doctor of Kim Il-song University, asserted in his thesis published in 1986 that "reforms should be carried out in agricultural sector by introducing sub-workteam management system," he was denounced as a reactionary from the propaganda department.

The Foreign Ministry is in charge of mapping out the policies for the development of the Najin-Sonbong area whereas the External Economic Committee is in charge of actual affairs. While mapping out the plans for the development of this zone, the Foreign Ministry at first planned to build roads and other social overhead capital by North Korea. However, in 1994, the ministry later changed the plan and decided to attract foreign capital to this sector as well.

Foreign delegations had requested that they visit Najin-Sonbong via Pyongyang, however, the Ministry of Public Security and the Security Department opposed this idea. The Security Department has now put up barbed wire around this area.

Diplomatic Policy

In spite of Kim Il-song's death, no big change in foreign policy is likely. As Kim Chong-il acceded to power with Kim Il-song's support, he needs the help of old cadres, so the extent of shake-ups will not be big.

However, it is expected that North Korea will concentrate on improving relations with the big powers, especially the United States, to tide over the crisis in the system resulting from the international isolation and deepening economic failure.

In relations with the United States, North Korea assumes that with every little concession North Korea makes, the United States needs to make maximum concessions. Therefore, North Korea will continue to play the nuclear card and the war card.

In relations with Japan, North Korea will endeavor to improve relations with Japan in order to tide over the economic crisis by attracting Japanese investment and receiving compensation for Japan's deeds in the colonial days.

Since his promotion to first deputy foreign minister in early 1988, Kang Sok-chu has made direct reports to Kim Chong-il on important diplomatic issues without reporting to Foreign Minister Kim Yong-nam. Kang Sok-chu, who is responsible for the talks with the United States, directly reports to Kim Chong-il on North Korea's relations with the United States and Japan, and Kim Chong-il handles diplomatic affairs by consulting with Kang Sok-chu in frequent telephone calls.

Upon receiving Kim Chong-il's order that "the Foreign Ministry should raise its own funds" in early 1994, the Foreign Ministry has set up a new "fund department" and dispatches diplomats who are capable of earning foreign currency to Africa, Europe, and other parts of the world. They reportedly earn money by means of drug trafficking.

For example, Kang Song-kuk (age 36, nephew of first vice director of the Reunification Front Department) was dispatched to Tanzania in 1994 on language training. However, he was promoted to economic counselor in December 1995 when he succeeded in sending from 50,000 to 100,000 dollars, which he earned through drug trafficking, to North Korea every three months.

Anti-ROK Operations

Four departments are in charge of operations against the ROK — the Reunification Front Department, the Operation Department, the Investigation Department, and the Social and Cultural Department — and send one or two agents to every diplomatic office overseas to carry out special missions.

The agents of the Operations Department disguise themselves in covert positions and the agents of other departments assume the positions of diplomats, and help other agents carry out their missions or collect information on South Korea.

In the early eighties, two combat agents, including Maeng Chang- nam who belongs to the Sariwon liaison office under the Operation Department, infiltrated into Japan by an operation boat and kidnapped a Japanese man in his twenties and took him to Chongjin port. The kidnapped Japanese man is currently working as a language tutor at the Wonsin-ri Guest House in Samsok district, Pyongyang which belongs to the Reunification Front Department.

The 314 liaison office under the control of the Operation Department manufactures various kinds of certificates and equipment that are used by organs in charge of anti-South Korea operations. Director Han Un-ho once gave from 200 to 300 fake Bangladeshi passports which were manufactured in the 314 liaison office to Cha Song-kun and ordered him to sell them at 200 dollars each.

ROK: DPRK Defector Discusses DPRK Military Situation

SK1402224996

[FBIS Report] The following is a compilation of a seven-installment article entitled "North Korean Military Today" based on an interview with Choe Chu-hwal, a DPRK colonel who defected to the ROK on 25

September 1995. The interview was conducted by To Chun- ho, deputy director of CHOSON ILBO, and carried by CHOSON ILBO during 5-13 February.

The 1,500-word first installment carried on pages 1 and 2 of the 5 February edition describes the reaction of middle-level military officers to Kim Il-song's death. Choe was deputy director of the Fourth External Business Bureau of the Ministry of the People's Armed Forces when Pyongyang media reported the death of Kim Il-song on 9 July, 1994. According to Choe, the officers showed only "moments of grief," and officers of the Second External Business Bureau in charge of holding receptions for foreign military delegations, as well as those of the Fifth External Business Bureau in charge of trade corporations, "spread their lunch boxes on the table and began to eat." Choe had to stop his men when they also brought out their lunch boxes. The Second and Fifth Bureaus were later reprimanded by their superiors, but the lunch incident was not reported to higher-level cadre.

On the same day, another officer was scolded when he asked for leave to visit the family of a fellow officer who died that day. Others were reprimanded for playing cards or drinking on the day Kim Il-song's death was announced. This shows that the reality was quite different from the "boundless mourning over Kim Il-song's death" shown to the world.

The article continues with episodes during the mourning period: "The director of the Transportation Management Bureau of the Ministry of the People's Armed Forces was discharged because he ignored the party's instruction to change the tires of the funeral car used on 19 July when the funeral service for Kim Il-song was held."

This indifference also prevailed among middle-level civilian leaders. "The vice president of the People's Grand Study House was fired because he wore sneakers when he went to pay his respects to Kim Il-song's statue at Mansudae." The president of the Pyongyang Mass Gymnastic Games Institute was sent home to North Pyongan Province because he asked "Are they really so sad?" at the scene of wailing masses before Kim Il-song's statue at Mansudae. A manager of the Koryo Hotel was also fired because "he raised the price of black ties being sold in the hotel shop when the demand for black ties suddenly soared" during the mourning period.

Reviewing these episodes, the article states that "the loyalty of middle-level military officers to Kim Il-song and Kim Chong-il cannot be said to be absolute," but corps commanders and higher- level cadres are different because they believe "they share a common fate with Kim Chong-il." The article notes that lower-level people, including peasants, workers, and private-level soldiers, wholeheartedly mourned the death of Kim Il-song.

The 1,500-word second installment carried on pages 1 and 2 of the 6 February edition describes how Kim Chong-il "won the heart of the North Korean military," particularly of the officers and general- grade officers. According to Choe, Kim Chong-il gave luxurious villas built in March 1995 near the Munsuri Guest House in Taedonggang District in Pyongyang to Choe Kwang, chief of the General Staff and a marshal; to Kim Myong-kuk, operations director and a general; to Won Ung-hui, security director and a general; and to Kim Tae-sik, intelligence director and a colonel general. Choe heard from Kim Myong-kuk's daughter that Kim Chong-il even personally visited Kim Myong-kuk's villa once they moved in. During the end of 1994 and early 1995, Kim Chong-il replaced official cars for corps commanders with Mercedes Benz 230, and allowed them to use tinted glass, which had been allowed only for director-level cadres.

The article further notes that corps commanders are frequently invited to Kim Chong-il's overnight parties for general-grade officers on special military occasions at Songjukkwan in the Munsuri Guest House, and that parties only for general-grade officers are held at a place in the Kalma Peninsula near Wonsan, whose facilities include an underground aquarium.

The article reports that, according to Choe, corps commanders and higher-level generals receive special gifts from Kim Chong-il on major national holidays. The gifts range from medium trucks and clothes to and meat and liquor. Among civilians, only vice minister and higher level officials receive such gifts. On 15 April 1993, Kim Il-song's birthday, military cadres received a special "letter of credit" that entitles the bearer to freedom of travel to any agency anywhere. This is a special favor in North Korea where there is no freedom of travel. Kim Chong-il reportedly signs all documents submitted by the military to show his consideration, but all documents are screened in advance by the minister of the People's Armed Forces, the chief of the General Staff, the director of the General Political Bureau, and the operations director.

Quoting Kim Chong-il's remarks that "power comes from rifles and is maintained by rifles," and that "loyalists are among the cadres while traitors are also among the cadres," the article concludes that Kim Chong-il is aware that "the military cadres are the ones who can maintain his regime, but they are also the ones whom he should be afraid of."

The 1,200-word third installment carried on pages 1 and 2 of the 7 February edition describes military personnel management in North Korea. The article states that "Kim Chong-il has carried out bold military reforms since he was appointed supreme commander on 24 December 1991," citing the most significant reform as "the reduction of the influence of political officers on company commanders." In 1993, Kim Chong-il separated the Cadres Department from the General Political Bureau, a party agency within the military, so that company commanders could conduct personnel management without influence from political officers.

The article also notes that Kim Chong-il abolished the minimum years of service required for promotions; as a result, there are regiment commanders of 37 and 38 years of age as well as corps commanders in their 40's. Kim Chong-il also revived the awards for 10, 15, and 20 years of service. Choe Chu-hwal says he himself received six decorations and medals.

The article then lists various categories of state decorations and medals, Kim Chong-il's group promotions for different groups of soldiers, and the pension system for retired soldiers.

The article notes another incident on 25 April 1992 when 1.1 million soldiers were given wristwatches imported from the PRC on the 60th founding anniversary of the Korean People's Army [KPA]. However, a commotion later arose because too many of the wristwatches were being sold on the black market.

The article concludes by stating that owing to Kim Chong-il's bold reforms, "military morale is rather high."

The 1,200-word fourth installment carried on pages 1 and 2 of the 8 February edition describes the presence of Air Force officers in high positions in the North Korean Army. The article says that Choe Kwang, minister of the People's Armed Forces; Vice Marshal Cho Myong-nok, director of the KPA General Political Department; Won Hung-hui, director of the State Political Security Department; and other important North Korean military leaders are from the Air Force because Kim Chong-il believes modern war encompasses state-of-the-art equipment and technological warfare. It also states that Kim Chong-il's promotion of Choe Kwang to marshal, and his appointment of Vice Marshal Kim Yong-chun as chief of the General Staff of the North Korean Army, is an indication that Kim Chong-il has assumed complete control of the North Korean Army. In addition, Yi Pong-won, the deputy director of the Organizational Bureau of the General Political Bureau of the KPA, and his cronies have disappeared. The article quotes Kim Chong-il as saying at a meeting of the Ministry of the People's Armed Forces in 1993: "Comrade O Chin-u is a marshal of the Korean People's Army [KPA]." This differentiates O Chin-u from Choe, who is "a marshal of the DPRK."

The 1,500-word fifth installment carried on page 2 of the 9 February edition describes Kim Chong-il's caprice in handling military affairs. As an example, the article notes Kim Chong-il's revocation of his previous instructions to send discharged officers from the Ministry of the People's Armed Forces to rural areas, rather than remain in Pyongyang, when those officers petitioned.

The article describes North Korea's stockpiling of rice for the military and civilians in response to Kim Chong-il's remarks that "modern war is a war of ammunition and fuel." It states that a stockpile of rice exists that can last for a year. The article describes North Korea's efforts to inspire enmity toward the ROK among the enlisted men to prevent them from feeling a repugnance for war. The article describes Kim Chong-il's consideration for the enlisted men, as shown in his visits to military units on 1 January and in early February 1995. It also describes Kim Chong-il's meetings with the enlisted men so he could listen to their complaints and give instructions, giving the enlisted men the impression that mismanagement by middle-level officers and commanders, and not Kim Chong-il himself, caused the problems.

The 1,500-word sixth installment carried on page 2 of the 12 February edition describes the North Korean Army's involvement in earning foreign exchange. The article cites the Yungsong Shipping Company of the Ministry of the People's Armed Forces as an example, saying that due to its sluggish exports, the company lowered its annual foreign exchange earning goal from $10 million to $7 million in 1995. The article also says that the ministry itself lowered its annual foreign exchange earning goal from $70 million to an unspecified amount that year. It describes the hardships of soldiers in picking shells and catching fish in order to earn foreign exchange. The article also describes corruption in the military in connection with its efforts to earn foreign exchange, saying that many soldiers were caught and punished for making money through smuggling and other means, and for hiding it at home.

The 1,200-word seventh installment carried on page 2 of the 13 February edition describes the food situation in the military. The article says that food rationing is quite good in the military, even though there are sporadic problems due to problems in transportation. The article describes the military's efforts to provide meat and vegetables by raising animals, grain, and vegetables. It also describes shortages of clothes in the military, saying that some soldiers wear summer clothes and boots in winter, noting that the situation has improved since Kim Kyong-hui, Kim Chong-il's sister, witnessed this in 1992.

ROK: DPRK WPK Central Committee Member Defection Rumored

SK1502011996 Seoul KBS-1 Radio Network in Korean 0000 GMT 15 Feb 96

[Report by Yi Tong-sik from Beijing]

[FBIS Translated Text] Rumors prevail in Beijing that a member of the North Korean Workers Party of Korea [WPK] Central Committee has defected to the PRC. Rumors in Beijing diplomatic circles hold that a member of the North Korean WPK Central Committee recently crossed the border between the PRC and North Korea and is seeking asylum in the PRC. He is reportedly under the protection of the PRC Government. A Beijing source said that the Central Committee member has not been identified and how he defected is unknown.

The WPK Central Committee is a core organization that evaluates all policies in North Korea. The committee has 140 members and 90 candidate members.

ROK: Russia Fears DPRK Ties Affected by 'Intrusion'

SK1502013796 Seoul YONHAP in English 0119 GMT 15 Feb 96

[FBIS Transcribed Text] Seoul, Feb. 15 (YONHAP) — A Russian Foreign Ministry official said Wednesday that relations between Russia and North Korea are feared to be adversely affected by the recent intrusion of an armed North Korean security guard into the Russian Embassy compound in Pyongyang, NAEWOE PRESS quoted Russian Radio as reporting Wednesday.

The broadcast quoted a Foreign Ministry spokesman as saying that the incident, in which three North Korean security guards were fatally shot at the compound by the North Korean intruder demanding political asylum, may chill future bilateral relations between the two countries.

An extradition treaty signed by both nations in 1957 requires that defectors with criminal records be returned is still valid, the broadcast said. [sentence as received] It added that since the incident is the first of its kind it is unclear what Russia will do.

ROK: Russia Decides To Extradite Embassy 'Intruder' to DPRK

SK1502011096 Seoul KBS-1 Radio Network in Korean 0000 GMT 15 Feb 96

[FBIS Translated Text] The young man in his twenties, who broke into the Russian trade mission in Pyongyang on the morning of 14 February and exchanged fire with the security guards in his attempt to seek asylum, was identified by ITAR-TASS as security guard of the Special Department of the headquarters of the North Korean Workers Party of Korea. No further details are available other than the fact that his family name is Cho, and that he is 25 years old and a junior sergeant of the North Korean Army.

ITAR-TASS reported that the Russian Government has decided to turn the soldier over to North Korea according to the extradition treaty signed in 1957.

ITAR-TASS added that the young man is still inside the Russia trade mission, where he is using Russian employees as human shields and threatening to commit suicide if his demand for asylum is not accepted. The intruder is also threatening to start firing if any North Korean official approaches and refusing to talk to North Korean officials.

ROK: DPRK Intruder in Russian Mission in Pyongyang 'Shot'

SK1502034896 Seoul YONHAP in English 0321 GMT 15 Feb 96

[FBIS Transcribed Text] Seoul, Feb. 15 (YONHAP) — The Foreign Ministry Thursday confirmed that a North Korean security guard at a concentration camp sought political asylum at the Russian mission in Pyongyang late Wednesday.

Noncommissioned officer Cho Myong-kil, 25, killed three or four North Korean guards at the Russian mission in Pyongyang before breaking into the mission, Foreign Ministry spokesman So Tae-won said.

The spokesman said that his ministry has not received any information on Cho's motive of defection.

"The ministry is closely watching developments, keeping the position that the incident is basically the matter to be solved between Russia and North Korea," he said.

Meanwhile, wire reports quoting Russia's ITAR-TASS News Agency said Thursday that Cho was shot to death.

ROK: Intruder in Pyongyang Russian Mission 'Committed Suicide'

SK1502084896 Seoul YONHAP in English 0831 GMT 15 Feb 96

[FBIS Transcribed Text] Seoul, Feb. 15 (YONHAP) — The North Korean security guard who broke into a Russian mission in Pyongyang Wednesday [14 February] seeking political asylum killed himself, the Foreign Ministry said Thursday.

"The Foreign Ministry has been informed by the Russian Foreign Ministry that Cho Myong-kil, 25, committed suicide," Spokesman So Tae-won said.

The spokesman said, however, that his ministry has not been notified of any further details regarding Cho's suicide.

He said that his ministry has no information on reports that special North Korean commandos stormed the Russian Embassy compound and fatally shot Cho while trying to disarm him.

New ROK Envoy to Russia Comments on Bilateral Relations

SK0902094596 Seoul YONHAP in English 0850 GMT 9 Feb 96

[FBIS Transcribed Text] Seoul, Feb. 9 (YONHAP) — It is not likely that Russia and North Korea will restore their relationship to the level they enjoyed during the Cold War because situations have changed so much since the collapse of the former Soviet Union, South Korea's new Ambassador to Russia Yi Chong-pin said Friday.

"There exists a great ideological gap between North Korea and Russia which cannot restore Pyongyang's cold-war relationship with Moscow," Yi said.

The ambassador also said that "The basic linkage between Russia and North Korea disappeared with the collapse of former Soviet Union," adding that Russia is pursuing a market economy and North Korea is not.

Yi admitted that the gains of the Russian Communist Party in the recent parliamentary elections will certainly boost party-level contacts between the two countries.

"Such party-level relationship between Moscow and Pyongyang, however, will not put relations between Seoul and Moscow, which have improved greatly for the past years, back to the cold war era," Yi said.

He also said that the Communist Party in Russia these days is quite different from that of the former Soviet Union where it was the only party.

The Communist Party in Russia is now part of the plural political party system, he said.

With regard to a friendship between Moscow and Pyongyang to replace the old one which will be nullified this coming September, Yi said that he will try to persuade the Russians to not allow the new treaty to undermine the current political and military dynamics on the Korean peninsula.

"In the short term, South Korea's diplomacy towards Russia will be focused on securing peace and security on the Korean peninsula," he said.

ROK: DPRK Gives Korean-Chinese Firm TV Distribution Rights

SK1302094896 Seoul CHOSON ILBO in Korean 13 Feb 96 p 10

[Article by reporter Kim In-ku]

[FBIS Translated Text] It was learned on 12 February that North Korea has recently designated a business firm to distribute North Korean television broadcast films in South Korea.

A businessman who is well versed in the internal situation of North Korea said that "North Korea has decided to give a Korean-Chinese-run business firm the exclusive rights to distribute North Korean television broadcast films in South Korea." He then added that "North Korea is considering giving this business firm the right to institute a lawsuit in case North Korean television broadcast films are broadcast in South Korea without permission."

This decision by North Korea was reportedly made when Hwang Yong- sik, acting president of "Pyongyang Television Film Recording and Editing Company" under the Korean Central Broadcasting Committee met in Pyongyang with a Korean-Chinese businessman based in Shenyang in the middle of January to discuss the matter of jointly producing North Korean television broadcast films.

When television films are mentioned in North Korea, they include drama programs, documentary films, history films, documentary films on specific events, special news report films, and travelogue films.

The North Korean side has reportedly agreed that this Korean- Chinese-run business firm will have the exclusive rights to distribute North Korean television broadcast films produced jointly by the two sides. The North Korean side has also reportedly decided to give the Korean-Chinese-run business firm the exclusive rights to distribute all North Korean television program films in the future.

It has also been learned that North Korea will allow this business firm to film, produce, and distribute all propaganda films concerning 52 famous tourist resorts in North Korea, including Najin and Sonbong.

In promoting this business, North Korea added the proviso that a third party cannot be involved in this business, claiming that "complications in this work should be avoided." Thus, North Korea has blocked

South Korean broadcasting organs or television film production companies from participating in this work.

Pyongyang Television Film Recording and Editing Comapny and the Korean-Chinese-run company are scheduled to meet this month or next to sign an agreement on working-level matters such as the form and contents of the television films to be produced jointly, the periods of their production, and the cost of production.

ROK Paper Interviews Newly Appointed Ambassador to PRC

SK0902110796 Seoul SEOUL SINMUN in Korean 9 Feb 96 p 5

[Compiled by reporter Yi To-un]

[FBIS Translated Text] Chong Chong-uk, newly appointed ROK ambassador to the PRC, met reporters in an informal session on 8 February, explained pending issues in ROK-PRC relations, and disclosed the direction of the activities he will conduct when he begins his work in the PRC.

Ambassador Chong observed: "The potential for the development of ROK-PRC relations is very great. I will try to solidify cooperative relations, whose framework has now been established in the three years since the establishment of diplomatic relations."

Ambassador Chong will leave for the PRC on 9 February to assume his post as ambassador.

[Unidentified reporter] What are the prospects for the PRC's political situation?

[Chong] Many changes are expected in the PRC within two to three years. For one thing, there will be many changes following the passing of Deng Xiaoping. The return of Hong Kong from Britain in July 1997 could also have a considerable impact.

[Unidentified reporter] What is the Chinese policy on the Korean peninsula?

[Chong] The most important factor is how inter-Korean relations will develop. ROK-PRC relations may develop with complexity depending on how North Korea changes.

[Unidentified reporter] It appears relations between the United States and the PRC are not smooth.

[Chong] Smooth relations between the United States and the PRC are necessary in order to ensure smooth relations between the ROK and the PRC. Our basic foreign policy is based on ROK-U.S. relations. Thus, it will be inappropriate if someone thinks ROK-PRC relations can replace ROK-U.S. relations.

[Unidentified reporter] What about Reverend An Sung-un's abduction to the North?

[Chong] Our demand is that Reverend An should be reinstated to the position he held prior to the abduction. However, it seems Reverend An's missionary work in the PRC constitutes a problem. The PRC's official position is not to allow an ROK pastor to engage in religious activities in the PRC. Because Reverend An's case occurred under such circumstances, a similar case could recur.

[Unidentified reporter] What are the prospects for a fishing agreement with the PRC?

[Chong] Much is discussed about the joint fishing zone. The PRC has the existing Mao Zedong line, and the ROK has the Syngman Rhee line. Although the PRC maintains a position of not accepting the Syngman Rhee line, a compromise may be possible. The prospects are bright, because Foreign Ministers Kong No-myong and Qian Qichen agreed in Phuket to sign a fishing agreement.

[Unidentified reporter] What is the government's plan for establishing a consulate general in Shenyang?

[Chong] The PRC is fully aware of our government's position. However, it seems the PRC is considering the various implications of this, because the area is near North Korea. Nevertheless, because a majority of our tourists travel to that area, and because many Korean Chinese reside there, opening an ROK consulate general in Shenyang soon is desirable.

ROK: 1900 Gazette Stipulates Tokto as Korean Territory

SK1002105596 Seoul YONHAP in English 1004 GMT 10 Feb 96

[FBIS Transcribed Text] Seoul, Feb. 10 (YONHAP) — A former Korean Government's official gazette dated 1900 stipulates Tokto, a disputed island in the East Sea [Sea of Japan], as Korean territory, it was disclosed Saturday.

The official gazette's publication year is five years earlier than that of Japan's Shimane Prefecture's Public Notice No. 40 dated 1905, based on which Japan claims territorial right over Tokto — called Takeshima in Japanese.

Kim Kon-su, 86, director of the Academy of Korean Studies, made public Saturday Official Gazette No. 1716, dated Oct. 27, 1900, the fourth year of King Kojong, and published by the Information Section, General Affairs Bureau, State Council, Taehan (Great Han) Empire, that ruled Korea from 1897-1910.

Korea was colonized by Japan between 1910-1945.

Article 1, Royal Order 41 printed in the gazette reads, "Ullung-to (island) shall be rechristened as Ul-to and placed under the jurisdiction of Kangwon Province, with the island head incorporated into the government setup as county commissioner."

Article 2 of the same says, "The office of the county, that has jurisdiction over the entire Ullung-to, Chukto and Sokto (the two islets of Tokto), shall be located in Taeha-tong (or village of Ullung-to)."

Kim also made public a map of entire Korea, Kim Tae-kon, the first Catholic priest in Korea, produced between 1845-1846 with placenames entered in French.

The map records Ullung-to as "Oulengto" and Tokto as "Ousan," an ancient designation of Tokto.

ROK Daily Urges Mapping Out 'Detailed' Tokto Strategy

SK1402022096 (Internet) The Digital Chosun Ilbo WWW in English 1210 GMT 13 Feb 96

[Editorial: "Cool Stance Towards Japan Needed"]

[FBIS Transcribed Text] It is most appropriate for us to object to Japan's claim of sovereignty over Tokto Island. We are entitled to feel angry at Japan's attempt to include that which has historically proven to form part of Korea's provincial domain within its own sovereign territory in order to expand its exclusive economic zones. Experts in international maritime law assert that by virtue of its geographical proximity to Korea, Tokto Island should correctly be regarded as Korean territory. The Chinese, Russian and German press concur. If one gives proper recognition to the views of such entities then on any objective basis, Tokto Island must be regarded as belonging to the Korean people.

However, our response to the Tokto Island dispute has to date been overly emotional and furious. We should cast our mind back to the end of our last dynastic rule, at which time due to a lack of know-how and knowledge of the outside world and the exhibition of an overabundance of rage, we were forced to open our ports, compensate our enemies and eventually surrender sovereignty over our own territory. Had we been stronger in 1905 then the Tokto Island problem would not be rearing its head today. It is therefore essential that we treat the situation by employing a cool, rational, well thought out strategy.

As a society we are very patriotic. However, we have a tendency to overreact to even the most minor incidental quips made by foreign politicians about us in the heat of, say, an election. Within a moment the matter evaporates without a trace, our hot-headed behavior having come to nothing. If we do no elevate our reactions to issues of international relevance to a higher plain of rationality, we will continue to suffer the humiliation that has historically beset us.

If we want to ensure the retention of sovereignty over Tokto Island, which was previously usurped from us along with the rest of our country, we must prepare a detailed strategy, coolly and calmly, without any loose ends. We must examine all matters with precision and through detailed research and investigation of records, generate firm proof of sovereignty. We have the ability to create detailed documents, such as our forebears demonstrated in drafting the Choson Dynasty period records, the longest historical serialization in the world. We have the ability to manage the Tokto Island matter sufficiently by utilizing know-how and ability to formulate a firm, unemotive strategic approach. Indeed, we should pay close attention to detail and clarity in establishing our policy stance towards Japan generally.

ROK, Japan Agree To Discuss EEZ, Tokto Dispute Separately

SK1502013496 Seoul YONHAP in English 0112 GMT 15 Feb 96

[FBIS Transcribed Text] Tokyo, Feb. 15 (YONHAP) — South Korea and Japan agreed that the dispute of sovereignty involving Tokto islets in the East Sea could seriously hurt bilateral relations, and so they decided Wednesday to keep exclusive economic zones (EEZ) talks separate from the territorial dispute.

The agreement was reached in a meeting between South Korean Ambassador Kim Tae-chi, who flew to Japan from Seoul Wednesday morning, and Japanese Foreign Minister Yukihiko Ikeda.

Kim told Ikeda that as the islets are Korea's proper territory, there exists no territorial issue of the islets, nor is it a subject of the talks, and expressed regret about Japan's claim to the islets.

The islets are Korea's proper territory and it does not need concern itself with what Tokyo says about Seoul's exercise of its sovereign power, Kim stressed.

But Seoul is ready to discuss the establishment of exclusive economic zones with Tokyo under the UN Law of the Sea which governs the territory between the two countries, although the islets will not be on the agenda for these talks, he added.

Ikeda said that he is aware of Seoul's posture and that the two countries have had different views of the islets and added that Japan would do its best to calmly settle the dispute and hopes it does not have a negative effect on Japan-South Korea relations as a whole.

He expressed regret about the Japanese flag burnings in Seoul, and said that it makes it difficult for Japan to resolve the dispute.

The Japanese Government has postponed the exclusive economic zone cabinet meeting schedule for Friday until next Tuesday so that the ruling coalition can continue discussing the issue.

ROK Ministry Protests Presence of Japanese Ship Near Tokto

SK1502012496 Seoul YONHAP in English 0024 GMT 15 Feb 96

[FBIS Transcribed Text] Seoul, Feb. 15 (YONHAP) — The Foreign Ministry registered its displeasure with the Japanese Embassy Wednesday afternoon stemming from the appearance of a Japanese patrol boat near the disputed Tokto Islet in the East Sea, and demanded that it leave immediately.

"We have conveyed to Japan our stance that, given the public outrage over the Tokto issue, it is undesirable for a Japanese patrol boat to appear near the islet. And we demanded that the patrol boat retreat immediately," a ministry official said.

The Japanese Embassy reportedly responded by indicating that the patrol boat is navigating the open seas near Tokto to prevent Japanese fishing boats from encroaching on Korean territorial waters, and that the patrol boat itself will not violate these boundaries.

The Foreign Ministry then requested that Japan take the necessary steps to make sure the patrol boat does not approach Korean territorial waters, according to the official.

The Japanese patrol boat was navigating the open seas 35 nautical miles off Tokto as of 6 am Thursday.

The patrol boat was first sighted 17 nautical miles west of Tokto Wednesday afternoon. It was navigating 20 nautical miles off Tokto at 2 am Thursday and was 35 nautical miles away at 6 am Thursday, according to the Tokto guard detachment.

ROK Officials Comment on Upcoming Asia-Europe Summit

SK1002041496 Seoul THE KOREA TIMES in English 10 Feb 96 p 9

[Report by staff reporter Yi Chang-sop]

[FBIS Transcribed Text] Seoul officials have discounted emerging American suspicions that a meeting planned by Asian countries and the European Union might be aimed at the setting up of an exclusive trade bloc to check the U.S.'s high-handed attitude in the Asia-Pacific region.

Vice Finance and Economy Minister Yi Hwan-kyun said yesterday at a seminar in Seoul that the Asia-Europe Summit (ASEM) meeting, to be held in Bangkok next month, should pursue a regionalism that encompasses an openness to nations outside Asia and Europe.

In the seminar, Lee said it would be highly undesirable for both Asia and Europe to give the impression that "we are aiming to set up an exclusive bloc, because that it is not our intention."

He opined that ASEM will have to develop a course of action which will allow the rest of the world to share prosperity through open regionalism.

Apparently as a counterbalance to the American initiative in the 18-member Asia-Pacific Economic Cooperation, leaders from Europe and Asia will get together next month in Bangkok. On the agenda will be the strengthening of multilateralism, enhancement of economic exchanges, and increased cooperation among the two area's private sectors.

Pak Song-hun, an economist at the Korea Institute for International Economic Policy (KIEP), said the Asia-Europe meeting can be interpreted as another effort by the EU to facilitate multilateralism and free trade, thus taking over, at least partly, the role of world economic leader that the United States at the moment is not able to play due to domestic political reasons.

He said ahead of the presidential election, the United States has been showing more and more protectionist tendencies, preferring bilateral negotiations to multilateral dispute settlement mechanisms. All members of the European Union and the Association of Southeast Asian Nations and Korea, Japan and China are members of ASEM.

In contrast, the EU has been more and more advocating multilateralism and free trade, KIEP's Pak said.

Yi Tong-hwi of the Institute of Foreign Affairs and National Security said as regional cooperative efforts mature, inter-regional cooperation among the three poles has begun to emerge. This cooperation includes the ongoing APEC relationships between Asia and North America and the newly enhanced transatlantic cooperation with the new Transatlantic Agenda agreed in last December. He said the ASEM sets up the only missing link between the three poles, that is Asia-European cooperation. In this sense, he said, "This ASEM meeting indicates the trend toward tripolarization of the international system in the most vivid way, and at the same time, the beginning of a new search for harmony and balance among the three poles."

Korea-EU trade exceeded 30 billion dollars last year. Korea plans to sign a basic cooperation accord with it this year.

ROK Announces Shift in Developing Nations Loan Policy

SK1002062796 Seoul YONHAP in English 0210 GMT 10 Feb 96

[FBIS Transcribed Text] Seoul, Feb. 10 (YONHAP) — South Korea will link its official loans to developing countries to the degree of Korean corporate investment in those nations, the Finance and Economy Ministry said over the weekend.

This is a shift from the government's policy of giving small amounts of aid to many countries to one giving intensive assistance to specific countries that are inducing South Korean investment.

The government set aside 400 million U.S. dollars in Economic Development Cooperation Fund (EDCF) aid this year, more than double the 190 million dollars it earmarked last year, the ministry reported.

Such loans will be particularly targeted to China, India, Indonesia and Vietnam, countries where South Korean corporate investments are expected to increase during the coming year, ministry officials said.

The ministry is negotiating with corporations which either have invested or plan to invest in these countries about the EDCF aid program for this year, they explained.

The loans will be used chiefly to finance construction projects for the telecommunications and electric power generation industries in recipient nations, as well as for the building of hospitals and schools there, they added.

Outstanding EDCF loans totaled 700 million dollars at the end of last year. Terms of repayment are an annual interest rate of 2-5 percent over 10 to 25 years, including a grace period of three to seven years.

ROK: Chong Ho-yong Accused of Giving 20 Billion Won to Chon, No

SK1302224396 Seoul YONHAP in English 1045 GMT 13 Feb 96

[FBIS Transcribed Text] Seoul, Feb. 13 (YONHAP) — Rep. Chong Ho-yong, now under arrest in connection with the May 18 incident, has turned out to have received 20 billion won from a military contractor and handed the money to former presidents Chon Tu-hwan and No Tae-u, a prosecution official said Tuesday.

The official said Chong accepted 10 billion won from Ms. Han Yong-cha, head of Samyang Chemical Co., in late 1987 during Chong's days as defense minister, and delivered it to the then-president Chon Tu-hwan.

Samyang Chemical was the sole supplier of tear gas canisters and other chemical shells to the military and police.

The latest uncovery brings to 225.9 billion won, instead of 215.9 billion won as earlier announced, the total of the bribes Chon allegedly received during his presidency.

Later Chong received another 10 billion won from Ms. Han, which he gave to No Tae-u, then the ruling party's presidential candidate.

The prosecution official said an additional count of bribery cannot be applied to No, however, because he was a presidential candidate, not a public official, when he received it.

He said that when Chong handed the 10 billion won to Chon Tu-hwan, the president gave 1 billion won out of the money to Chong for the "trouble" he had gone through.

Again in February 1988, Chon Tu-hwan gave Chong 300 million won for use in his electioneering in the 13th general elections, according to the prosecution official.

ROK: ULD National Assemblyman Ku Cha-chun Dies

SK1002130196 Seoul YONHAP in English 1244 GMT 10 Feb 96

[FBIS Transcribed Text] Taegu, Feb. 10 (YONHAP) — Rep. Ku Cha-chun, vice president of the conservative opposition United Liberal Democrats [ULD], died at around 6:45 PM [0945 GMT] Saturday at the Tongsan Hospital here while undergoing a heart operation. He was 64.

Born in Talsong, North Kyongsang Province, Ku was taken to the hospital Thursday afternoon when he sustained a heart attack in a car on his way to a political gathering.

Upon discharge from active military service as colonel in 1963, Ku served as Seoul mayor and home minister before being elected to the National Assembly for two consecutive terms.

ROK: Kim Tae-chung Views Reform, Food Aid, Parties Meeting

SK1202110296 Seoul HANGUK ILBO in Korean 12 Feb 96 p 5

[Interview with Kim Tae-chung, president of the opposition National Congress for New Politics (NCNP), by Cho Myong-ku, deputy chief of the Political Department of HANGUK ILBO — date and place not given]

[FBIS Translated Excerpt] [passage omitted]

[Cho Myong-ku] How do you assess President Kim's reforms?

[Kim Tae-chung] I do not think his reforms are a success. At first it seemed to be going well. However, as time passed, favoritism appeared and those involved in reform tended to claim credit. Thus, consistency was lost. How can there be reform if the opposition party is not recognized as a partner?

[Cho] What is your opinion on rice aid to the North?

[Kim] At a time when foreign countries are giving rice aid to the North, it will not make a good international impression if we say we cannot provide rice aid. I hope that private rice aid donations will not be prevented.

[Cho] Where do you think the problem lies in not holding a meeting of leaders from the ruling and opposition parties?

[Kim] Why do you not ask the other side (smiling)? A meeting of leaders from the ruling and opposition parties is the duty of the president. It should be carried out when it receives the support of 40 percent of the people; this represents 100 percent of the people. The president's current attitude is not that of a civilian-ruled government, nor is it a correct attitude toward the people.

ROK: Former Prime Minister Yi Hong-ku Joins New Korea Party

SK1302040596 Seoul YONHAP in English 0203 GMT 13 Feb 96

[FBIS Transcribed Text] Seoul, Feb. 13 (YONHAP) — Former Prime Minister Yi Hong-ku formally joined the New Korea Party (NKP) Tuesday to help "the ruling party to victory" in the upcoming general elections April 11.

"I've decided to join the NKP to assist the government and the ruling party in performing their state administrative duties effectively and consistently," Yi said in a news conference at NKP headquarters in Yoido, Seoul.

Yi, presently the honorary chairman of the 2002 World Cup Bidding Committee in Seoul, said he will do his best for the NKP in the parliamentary elections.

ROK NKP Chairman Interviewed on Elections, Politics

SK1302103996 Seoul HANGUK ILBO in Korean 13 Feb 96 p 6

[Interview with Kim Yun-hwan, chairman of the New Korea Party, NKP, by Cho Myong-ku, deputy chief of the Political Department of HANGUK ILBO; date, place not given]

[FBIS Translated Excerpt] [Cho Myong-ku] The NKP has now begun preparations for the general elections after holding its national convention. How many seats do you seek to win out of 253 National Assembly seats in the upcoming general election?

[Kim Yun-hwan] We must win at least 150 parliamentary seats in the election in order to secure stable forces within the National Assembly. However, at the moment I do not think it will be easy to achieve this goal. Nevertheless, judging from the atmosphere at the national convention and changes taking place in many fields, I have many expectations for this goal. [passage omitted on comment on the past local election results]

[Cho] Do you think that former Prime Minister Yi Hoe-chang and former Assemblyman Pak Chan-chong joining your party will help in the elections?

[Kim] Of course. Former Prime Minister Yi and other critical forces joined our party in the belief that the NKP is the only force capable of achieving stability and reform on the road toward becoming a first-class state in the 21st Century. This is itself of great help.

[Cho] Viewing the candidates officially nominated by your party, we noted that both conservative and progressive forces are mingled among them. Do you think the strategy of pursuing both conservatism and reform at the same time would be successful?

[Kim] I know that some have a negative view of this. However, I think these two elements should co-exist in harmony. We intend to form the so-called "new main force," which would be harmoniously composed of both reform and conservative forces through election.

[Cho] Some people have pointed out that you, Chairman Kim, were not able to exercise great influence over nomination of the party's candidates.

[Kim] That is not true. The party-nominated candidates from the Democratic-Justice faction [which is led by Chairman Kim Yun-hwan] are 55 percent of all while those from the Democratic faction are 45 to 50 percent. [passage omitted on Kim's prospects for winning elections in the Taegu-Kyongbuk District he is from]

[Cho] We understand that in Taegu you talked about the issue of rescuing former presidents Chon Tu-hwan and No Tae-u.

[Kim] That is the president's unique right. What I mentioned was that if they want to rescue former presidents Chon and No, they should give us strength to enable us to propose something to the president.

[Cho] Last year you gave your resignation to the president and later withdrew it. Some party officials thought that your shortcomings must have been exposed.

[Kim] (laughing) That is a fabrication. Who can oppose the work of setting history straight? However, I thought that the punishment of those involved in the 12 December 1979 military rebellion and the 1980 Kwangju uprising should be limited only to representative figures under the incumbent laws, instead of formulating a special law. In fact, I, as the man who served under these two Presidents, have had immense personal agony, and have expressed my feelings to President Kim. He said that although he understands my feelings, the formulation of a special law is inevitable. My colleagues in the party also helped me control my agony...

[Cho] In Taegu, you said you could also run for the presidency. When do you think the presidential candidate from the ruling party will be chosen?

[Kim] The party chapter and regulations specify that the candidate will be decided through competition around April next year. However, the profiles of those who are thinking of running for the presidency will be revealed through the outcome of the upcoming general elections. My remarks on my willingness to run for the presidency mean that "even if I want to be the candidate, I can hardly be the candidate if I fail to win support from the Taegu- North Kyongsang Province area."

[Cho] How do you intend to compete with others when you run for the presidency?

[Kim] I will decide on my political future after watching the result of the elections. [passage omitted]

ROK Government Plans To Lift Loans Guideline

SK1102043496 Seoul THE KOREA HERALD in English 11 Feb 96 p 8

[FBIS Transcribed Text] Starting next month, the government will lift a guideline for loans, under which local financial institutions are required to make a portion of their total lending to manufacturing firms, the Ministry of Finance and Economy said yesterday.

The lifting of the rule will enable financial funds to be allocated to both manufacturing and nonmanufacturing sectors more equitably, the ministry said.

In line with the government's policy of channeling more funds to the strategic manufacturing sector, banks and nonbank financial organizations are obligated to 30 to 70 percent of their total loans to manufacturers.

The government has decided to remove the loan guideline to meet the growing need for funds by the nonmanufacturing industry which is playing a greater role in the national economy, the ministry said.

The elimination is also designed to promote the competitiveness of domestic nonmanufacturing sectors which have to compete with foreign companies with the phased opening of domestic markets.

In addition, financial organizations will be granted greater autonomy in managing their funds free of government intervention, it said.

The government introduced the loan guideline in 1991, but it completely exempted regional banks from the requirement in August last year.

Currently, Seoul-based commercial banks are required to extend up to 40 percent of their total lending to manufacturing firms, while loaning out 30 percent of deposits at their trust departments.

The loan requirement is 40 percent for Industrial Bank of Korea and the Korea Long-Term Credit Bank, and 70 percent for Korea Development Bank.

Leasing companies are obliged to make facility leases up to 40 percent of their annual leasing contracts to manufacturing firm.

Merchant banks and investment finance companies are required to make 40 percent of the outstanding amount of commercial bills discounted available to manufacturers while life insurance firms have to make up to 40 percent of their corporate loans to manufacturing companies.

ROK Government Unveils Business Tax Benefits Plan

SK1102040696 Seoul THE KOREA HERALD in English 11 Feb 96 p 8

[FBIS Transcribed Text] Businesses pushing technology development will get leg up from the government in terms of tax and financial benefits, expert manpower replenishment from here and abroad, and loosened construction regulations among others.

The plan was unveiled by Pak Chae-yun, minister of trade, industry and energy [MOTIE], at the first meeting of the "Industrial R&D Advisory Board" held yesterday morning at Seoul's Hotel Lotte. The 25-person panel is made up of experts from the academia press and industries. [sentence as published]

"Between Korea's high wages and quickening global race for technological developments, high-tech accumulation is the only way out for Korean industries," Pak said at the meeting. The minister in particular stressed private businesses should lead the way by boosting their R&D.

To that end, MOTIE will provide the following policy backups, which will soon be implemented in cooperation with other relevant government ministries, he said.

The proposed changes originate from the ministry's earlier survey of top-30 business groups.

First of all businesses will be allowed to construct R&D and training centers in and around Seoul. Current regulations severely limit building starts in the capital areas.

The government will also hike financial assistance given to R&D projects to 75 percent of the total costs involved, up from the current 50 percent.

Researchers working at private R&D centers will receive 40-percent tax exemption on their income tax, in the same way as their counterparts at government-run research institutes do.

In terms of bolstering high-tech manpower at Korean industries, the ministry will also look into extending tax benefits to foreign researchers and experts working for Korean firms. Currently, benefits are limited to foreign nationals with Ph.D.'s who have worked for a minimum of two years here.

In order to draw more foreign experts to Korea, the Advisory Board suggested the holding of R&D job fairs overseas.

The ministry will also look into allowing engineering students to receive academic credit for working on industrial sites and exempting them from mandatory military service, in exchange for their employment in key sectors.

Burma

Burma: SLORC Rewards Khun Sa With 'Luxurious Mansion' in Rangoon

BK1502064696 Bangkok THAILAND TIMES in English 15 Feb 96 p A1

[Unattributed report]

[FBIS Transcribed Text] Accordance with the terms of the ceasefire agreement recently signed by Khun Sa and the Burmese government, a luxurious mansion is being built for him in Rangoon, a Thai military official said yesterday. The construction of the house was ordered by Lt-Gen Khin Nyunt, secretary-general of the State Law and Order Restoration Council [SLORC], said the official.

Khun Sa and much of his Mong Tai Army agreed earlier this year to lay down their arms. It has been rumored that Khun Sa cut a secret deal with the military junta in which they agreed to refuse extradition demands made by the US.

Khun Sa is wanted by American authorities for a variety of drug offenses. Lending credence to the rumor, SLORC recently announced that they would not extradite the charismatic 61 year-old. The US offered $2 million as a reward for Khun Sa's capture, after he was accused of offenses by an American court back in 1989.

The source said one of Khun Sa's grandchildren recently sold a house in Mae Hong Son worth an estimated two million baht, adding that the opium baron reportedly plans to move all members of his family to Rangoon.

In another development across the border, a dozen peace delegates from the Karen National Union (KNU) yesterday went to Rangoon for talks aimed at ending the ethnic group's 47-year war with the military junta.

KNU secretary-general Mahn Sha Laphan yesterday morning led 12 soldiers across the Moei river at Huai Muang village in Tak province. They took a longtail boat to Burmese-controlled territory, where they were met by 30 armed Burmese officers. The delegation was then brought by car to Burma's Myawaddy province.

The Karen delegation will meet there with Maj-Gen Kat Seng, government forces commander for Moulmein province and a leading member of SLORC.

A KNU delegation met with Khin Nyunt in Rangoon last December in an effort to pave the way for a ceasefire agreement.

A high-level KNU official quoted Khin Nyunt as saying that he wants the KNU to "forget about the past and negotiate a ceasefire with Burma."

The KNU have been fighting for autonomy since 1949 a year after Burma became independent from Britain.

Burma: Two Shan Armed Groups Merge To Form National Army

BK1502104896 (Internet) BurmaNet News in English 14 Feb 96

[FBIS Transcribed Text] Subject: S:H.A.N. [Shan Herald News Agency]: SSNA [Shan State National Army] - SSA [Shan State Army] merged; 11 February 1996

The meeting held in Hseng Kyau, Shan State from 5 January 1996 to 7 January 1996 was attended by Zao Kye Min, Zao Poo Mar, Zao Gan Na (Mong Yorn), Zao Gan Na (KDA), Zao Aung Mya, Zao Zai Lar, (Zao Zai Yee was absent because of his commanding position in the Southern Shan Shate), from Shan State National Army (SSNA), Zao Loi Mao, Zao Pang Hpa, Zao Kai Hpa, Zao Zai Tu, Zao Hsai Mo, Zao Ngo Harn, (Zao Zai Nong and Zao Ya Pee were absent as they were attending the SLORC NC), from Shan State Army (SSA).

The decision was made to merge the SSNA and SSA into one. It was also agreed and decided that when the condition and time is ripe (and if necessary) to stand up again as a Revolutionary organization and fight against the SLORC [State Law and Order Restoration Council], invader. It is estimated that after the fusion of SSNA and SSA the strength will amount to 8000.

Further Conference held in Hseng Kyau again within the last week of January was attended by the top line leaders of both organisations.

The outcome of the conference are as follows :

- to rename the fusion of SSNA - SSA into Shan State National Army (SSNA)

- to reform the Shan State Progressive Party (SSPP).

Furthermore, the conference selected the 15 members Central Executive Committee comprising 8 members from SSNA and 7 members from SSA, including Zao Zai Nong who was named Chairman, Zao Pang Hpa (vice Chairman), Zao Kan Yord (Secretary General), Zao Loi Mao (assistant Secretary General and Chief of Staff), Zao Zai Yee (2nd Chief of Staff).

It was also decided that financial and rations will also be merged into one.

It was learned that the decision of the conference will be publicized in the near future.

Burma: Twelve-Member KNU Delegation Leaves for Talks With SLORC

BK1502110096 (Internet) BurmaNet News in English 13 Feb 96

[FBIS Transcribed Text] A 12-member delegation of KNU [Karen National Union] led by Mahn Shar La Phan went to Burma today to have a talk with the State Law and Order Restoration Council (SLORC) ruling military regime. KNU is one of the remaining ethnic armed forces to have a talk with SLORC.

The first preliminary delegation went to Moulmein for the first time on December 13, 1995 to facilitate the dialogue between SLORC and KNU. The preliminary delegation returned back to its headquarters on December 18, 1995.

The members included in the delegation are (1) Mahn Shar La Phan (leader of delegation) (2) Phado Saw Aung San (deputy leader) (3) Phado Tar El (member) (4) Saw Raw Gel (member) (5) Saw Ne Soe (member) (6) Mahn Aung Tin Myint (member) (7) Saw Ti Toe (In-charge of office staff) (8) Saw Hte Ne (Vice-In-Charge of office) (9) Saw Hteut Soe (Documentation and record) (10) Saw Nyi Nyi (Documentation and record) (11) Saw Lay Domu (Signal and communication) (12) Saw Htoo Bo (medic).

In the press release No.(3) on the talk between KNU and SLORC released today, KNU said that they would forge ahead both for the welfare of the Karen people and all other nationalities in Burma during the process of negotiation with genuine sincerity.

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Defense Minister on Possible Purchase of U.S. Helicopter

BK1502104096 Kuala Lumpur UTUSAN MALAYSIA in Malay 14 Feb 96 p 5

[Unattributed report]

[FBIS Translated Excerpt] Kuala Lumpur, 13 Feb — It is possible that Malaysia will purchase U.S.-made Blackhawk helicopters if the need arises for the country's defense capabilities.

Defense Minister Datuk Syed Hamid Albar said the country is currently evaluating the aircraft based on its attack, transportation, and other capabilities with regard to its utilization by the Army, Navy, and Air Force.

He said: "We have yet to make a decision on the purchase of the aircraft because we have other options. Apart from evaluating the Blackhawk, we will also evaluate the Rooivolk, Hovex, and Augusta helicopters. We want to ensure that we select the best type of aircraft, particularly by taking into account its all-weather attack capability."

He made the remark after witnessing a demonstration of the Blackhawk helicopter piloted by two U.S. pilots at the TUDM [Royal Malaysian Air Force] base in Subang today.

Earlier, Tom Hellmann, manager of Sikorsky Enterprises, briefed Syed Hamid concerning the Blackhawk helicopter's special capabilities. The helicopter costs between RM [Malaysian ringgit] 250 and RM300 million.

To date, a total of 1,427 Blackhawk helicopters have been sold — including three to Brunei and two to the Philippines.

In connection with the performance demonstrated by the Blackhawk, Syed Hamid said he was impressed with the helicopter's performance and capability, which supersede those of its class.

He said that the Defense Ministry will be responsible for tests and evaluations, but the government will make the final decision on the purchase of the aircraft.

He explained: "We will abide by the government's decision because it is the way our government functions in making decisions. Various aspects have to be accounted for prior to making a decision." [passage omitted on new Army uniform]

Malaysia: Minister Says Drop in Reserves Not Due to Forex Forays

BK1502071596 Kuala Lumpur NEW STRAITS TIMES in English 13 Feb 96 p 21

[By Noorzita Samad]

[FBIS Transcribed Text] The fall in Bank Negara's [central bank] gold, foreign exchange and other reserves for the whole of last year to RM [Malaysian ringgit] 63.79 billion compared with the projected RM67 billion was not due to the central bank's dabbling in forex transactions.

The lower reserves was basically attributed to the central bank's intervention in the money market as well as forex market in its efforts to protect the ringgit, curb money supply growth and curtail inflation.

Deputy Prime Minister Datuk Sri Anwar Ibrahim said Bank Negara has the responsibility to institute monetary measures to safeguard the ringgit against volatile fluctuations vis-a-vis other currencies.

"The categorical assurance I gave before the Parliament is that it's not the business of Bank Negara to venture into foreign exchange speculation... that is a clear policy.

"But, beyond that it is their duty to prevent or monitor or assure that there is stability in the whole economy. It is their responsibility to defend the local currency (from plummeting or appreciating too sharp too soon against other currencies)," Anwar, who is also Finance Minister, said.

He was speaking to reporters after chairing the annual meeting of the National Financial Council at the Treasury office in Jalan [road] Duta, Kuala Lumpur, yesterday.

The meeting was attended by Deputy Finance Ministers Datuk Wong See Wah and Datuk Affifuddin Omar, Menteris Besar [chief ministers of states with hereditary Malay rulers], Chief Ministers and senior Treasury officials.

Among others, Bank Negara is known to regularly intervene in the money and forex markets to support the ringgit as well as mop up excess liquidity such as by borrowing deposits from the interbank money market at higher rates or by buying the ringgit.

Such direct interventions are very costly. For instance, the central bank spent more than RM3 billion of its reserves last month to support the ringgit against excessive speculations in favour of the firmer US dollar.

Last Friday, Bank Negara announced that its reserves as at December 31, 1995 amounted at RM63.79 billion — an increase from RM62.24 billion registered on December 15, 1995.

Malaysia: States, Firms Told To Cut Imports To Reduce Deficit

BK1402124796 Kuala Lumpur NEW STRAITS TIMES in English 13 Feb 96 p 1

[Report by K.P. Waran and Noorzita Samad]

[FBIS Transcribed Excerpt] Kuala Lumpur, Mon — The Treasury has directed all State Governments to cut back on imports by their departments and companies to help reduce the current account deficit, Deputy Prime Minister Datuk Sri Anwar Ibrahim said today.

The State Governments have been told to scrutinise all items that are imported and to look for possible local alternatives.

Anwar, who is also Finance Minister, said that if all State Governments resolved to reduce imports the amount would be substantial although not as large as possible import reduction by the Federal Government and big corporations.

Speaking to reporters after chairing the annual meeting of the National Financial Council, which was attended by Menteris Besar [state chief ministers], Chief Ministers and senior Treasury officials, he said each State would set up a task force, chaired by the Menteri Besar or Chief Minister, to find ways to reduce imports.

Also present were Deputy Finance Ministers Datuk Wong See Wah and Datuk Dr. Affifuddin Omar, Parliamentary Secretary Dr. Shafie Mohamed Salleh, Treasury Secretary-General Tan Sri Herbert F. Clifford, deputy secretary-general (policy) Dr. Aris Usman, and Budget Director Badri Masri.

He said the government had been very realistic and had taken the current account deficit very seriously.

It has embarked on several measures to reduce it.

"We have given clear directions to our companies and agencies that all procurement has to be monitored. We import only when is absolutely necessary, otherwise we procure from local sources."

He said in view of the multi-faceted measures embarked by the government, it was optimistic about reducing the deficit.

"The measures have had some impact. We do not want to be alarmists and curb spending completely since this would have other ramifications. If the figure seems to be more reassuring, there is no reason why we should be panicky.

Anwar said that during the meeting he had also stressed the need for State Governments to adhere strictly to financial rules, regulations and procedures and to take into consideration the criticisms contained in the Auditor-General's report. [passage omitted]

Malaysia: Central Bank's Gold, Foreign Exchange Reserves Increase

BK1302092796 Kuala Lumpur NEW STRAITS TIMES in English 12 Feb 96 p 21

[BERNAMA Report]

[FBIS Transcribed Text] Bank Negara's [Central Bank's] gold and foreign exchange and other reserves, including special drawing rights increased to RM [Malaysian ringgit] 63,796.14 million as at December 30, 1995 from RM62,237.25 million registered on Dec 15, 1995.

However, its total assets and liabilities as at Dec 30 decreased to RM88,475.53 million from RM88,944.85 million previously.

Loans and advances rose to RM4,195.51 million from RM4,161.99 million but holdings Malaysian Government papers declined to RM2,155.39 million from RM2,543.91 million.

Holdings of bills discounted also decreased to RM3,176.76 million against RM3,267.57 million from a fortnight earlier.

Currency in circulation rose to RM18,913.24 million on Dec 30 from RM18,151.43 million.

Cambodia

Cambodia: Government Suspends Publication of Opposition Newspaper

BK1502043896 Hong Kong AFP in English 0219 GMT 15 Feb 96

[FBIS Transcribed Text] Phnom Penh, Feb 15 (AFP) — The Cambodian government has suspended for 30 days the publication of an opposition newspaper which had been virulently critical of King Norodom Sihanouk, Minister of Information Ieng Muli said Thursday.

The Khmer-language Republic News, published by supporters of the late Lon Nol who overthrew then-Prince Sihanouk's government in 1970, had ignored repeated warnings from the ministry to change its tone and its masthead, said Ieng Muli who signed the suspension order.

"We consider it anti-constitutional," he said. "They were constantly attacking the king who is the symbol of national unity."

He said it would be up to a court to decide whether the suspension would continue past the 30 days ordered.

The Cambodia Daily newspaper quoted the editor of the Republic News as saying that the changes requested by the information ministry had been acceeded to and that he did not understand the reason for the suspension.

But Ieng Muli said that while the paper had removed the Lon Nol- era flag from its masthead, a logo identifying the paper as a supporter of a republic remained and the insulting tone of attacks against King Sihanouk had not changed.

Lon Nol's US-backed Khmer Republic government ruled Cambodia until 1975 when it was overthrown by the Khmer Rouge.

Cambodia: King Issues 'Urgent Appeal' for Aid to Hospitals

BK1502064496 Hong Kong AFP in English 0544 GMT 15 Feb 96

[FBIS Transcribed Text] Phnom Penh, Feb 15 (AFP) — King Norodom Sihanouk has issued an urgent appeal to "rich countries and friends of Cambodia" for aid to improve the conditions and supplies of hospitals in Phnom Penh and in the northwest, the palace said Thursday.

King Sihanouk's appeal comes as increased fighting between the government and Khmer Rouge guerrillas in Battambang and Banteay Meanchey provinces has left hospitals there and in Phnom Penh overflowing with wounded soldiers.

"The civil war that intensifies ... has the effect of putting the hospitals there in a state unable to cope decently with (their) minimal duties to the seriously wounded and other victims of the war and mines," the king said in a statement released by the palace.

"Please, have pity for my country, for its people and its soldiers," the king said the statement from Beijing where he is undergoing medical treatment. "Come quickly to the aid of our hospitals and our doctors and nurses."

Officials at the military hospital in Phnom Penh say they now have nearly 200 more patients than their 700-bed capacity allows and have had to place makeshift cots in corridors to make room for more.

Smaller hospitals in Battambang and Banteay Meanchey are also reported to be full as the military pushes toward the Khmer Rouge strongholds of Pailin and Phnom Malai, both near the Thai border.

Doctors are facing shortages of blood, medicine, water and electricity, and must deal with aging buildings whose sanitary conditions leave much to be desired.

"The conditions of life are appalling there for the sick and also for the doctors and nurses," the king said, adding that he thought the situation would get worse in coming days, weeks and months.

Cambodia: Rangsi Returns, Refuses To Change Party Sign

BK1502105196 Phnom Penh NEAK PRAYUT in Cambodian 12 Feb 96 pp 1, 3

[Report by Un Sokhom]

[FBIS Translated Text] Sam Rangsi, chairman of the Khmer Nation Party [KNP], returned from Australia on 10 February. He was warmly welcomed by many KNP members on his arrival at Pochentong Airport at 1215.

At the KNP headquarters, Sam Rangsi chatted with party members and gave an account of his visit to Australia, where 30,000 Cambodians, and 7,000 New Zealanders reside. Sam Rangsi talked about the setting up of KNP offices there, and his meeting with representatives of the two countries. He also talked about his trip to Hong Kong where he met with international reporters. Hong Kong, he added, has been closely following the situation in Cambodia. He said Australia had given the KNP the same airtime as the Cambodian Government. For instance, if it gave Hun Sen or Prince Ranariddh five minutes in an interview, it would also do that for the KNP. This is apparently an example of perfect justice of the democratic principle in Australia.

The KNP chairman said he has completed his overseas visit. He has set up all of the KNP offices abroad since November this year. Overseas members now number over 400,000, or 80 percent of the Cambodian residents abroad. He added this shows that overseas Cambodians want nothing from the Cambodian people or Cambodia. Like the people at home, they have seen that the government has done nothing to prevent the Vietnamese invasion and the influx of countless Vietnamese settlers. They are also absolutely displeased with some overseas Cambodian big shots who practice corruption and who have left the people isolated, and under the threat of the Vietnamese aggressors.

After chatting, Sam Rangi urged the KNP members as well as the Cambodian people in general to remain patient and continue to struggle courageously against all sorts of threats. Come what may, no one would dare to remove the KNP sign. You, KNP members, are asked to hoist the party pennant and the national flag every morning. Sam Rangsi added that more KNP offices would be opened with no change to the party's logo.

The KNP chairman's statement is aimed at boosting the confidence of supporters in the leadership because some opportunists, taking advantage of his absence from the country, had maneuvered to confuse the people. However, they continue to support the KNP led by Sam Rangsi at all times.

Sam Rangsi thanked the people countrywide for their determination and support and wished them all the best.

Indonesia

Indonesia: Red Cross Official Comments on Hostage Negotiations

BK1502032696 Jakarta ANTARA in Indonesian 1826 GMT 14 Feb 96

[FBIS Translated Excerpt] Jakarta, 14 Feb (ANTARA) — The International Committee of the Red Cross [ICRC] has stated that its team can only go into the Irian Jaya hinterlands to secure the release of the hostages if it has permission from the government.

"We will not be able to go without the Indonesian Government's permission," ICRC Information Assistant Sri R. Wahyu Endah told ANTARA in Jakarta on Wednesday evening in response to the "dissatisfaction" of certain parties over claims made by the ICRC in this process.

ANTARA sources complained that letters from the hostages sent to the ICRC in Jakarta on Wednesday (14 February) were actually dated 5 and 6 February — long before the ICRC sent its team to the hostage site.

"They claim that the letters were obtained thanks to the ICRC," the sources said. There have also been complaints that the ICRC has been busier entertaining interviews with the BBC than concentrating on efforts to secure the release of the hostages.

According to Endah, the ICRC first coordinated its mission to Irian Jaya with various parties. Thus, its presence in Irian Jaya has the blessing of the authorities.

Before Next Wednesday

The information assistant added that the ICRC could promise that the hostage crisis would be [words indistinct] by Wednesday (21 February) [words indistinct] ICRC chief delegate Henri Fournier.

"That is the latest development today," she said. Kelly Kwalik has asked for talks with the ICRC on that day. [passage omitted covered by referent item]

Indonesia: Irian Jaya Hostages Reportedly Suffering From Fatigue

BK1502015996 Jakarta ANTARA in Indonesian 1719 GMT 14 Feb 96

[FBIS Translated Text] Jakarta, 14 Feb (ANTARA) — The hostages being held by the GPK [security disturbance movement] group in Irian Jaya led by Kelly Kwalik are suffering from fatigue due to their long captivity. The hostages, researchers from the Lorentz 95 team, disclosed their condition in two letters.

"According to letters addressed to Monsignor Munninghoff in Jayapura, they are suffering from fatigue because they have been moved repeatedly from one place to another," Brigadier General Suwarno Adiwijoyo, head of the ABRI [Armed Forces of the Republic of Indonesia] Information Service, told ANTARA in Jakarta on Wednesday.

The ABRI received the letters on 13 February via courier. According to the two letters, dated 5 and 6

February respectively, the rebels have been forced to move repeatedly from one place to another to avoid the military since they (?moved out) of Mapenduma village.

ABRI troops have been concentrated around Mapenduma village. The troops, recruited from the Army's Special Force and the local military district command, have instituted a long-standing "blockade" to prevent (?the GPK kidnappers from escaping to) the border with Papua New Guinea.

"In the letters, the hostages said they were generally in good condition and asked the security apparatus to avoid a military operation," [words indistinct].

In reply, the head of the ABRI Information Service, concurrently assistant for sociopolitical affairs to the ABRI chief officer for sociopolitical affairs, reiterated that the ABRI would continue to use persuasive means. "We want all the hostages freed safely," he said.

Suwarno said that Monsignor Munninghoff and the ABRI received the letters before a team from the International Committee of the Red Cross arrived in Irian Jaya on 7 February 1996.

Indonesia: De Charette: France 'Faithful' to EU's Stance on East Timor

BR1402155896 Paris LE FIGARO in French 14 Feb 96 p 4

[Report by Baudouin Bollaert: "Indonesia: 'French Anomaly' Averted"]

[FBIS Translated Text] Jakarta — On a two-day official visit to Indonesia [Foreign Minister] Herve de Charette undoubtedly sought to ward off what people here call the "French anomaly." Diplomatically the two countries are friendly and cooperate, as evidenced by the peace settlements in Cambodia and Bosnia. Economically, Indonesia is the second largest beneficiary of French "protocol credits" in Asia. And yet...

No French minister has traveled to Indonesia — the world's fourth most populous country and the biggest Muslim country in the world — since Alain Lamassoure visited in 1994 when he was responsible for European affairs! The last visit by a head of state — Francois Mitterrand — was in 1986. Most importantly, France is only the 14th largest foreign investor in Indonesia, trailing behind Luxembourg.

Accompanied by businessmen the French foreign minister — bearing a message from Jacques Chirac — met yesterday with President Suharto who at 76 years of age will be going for a seventh term in 1998. This is the "kick-off" for a more assertive French presence. The day before, he met with his counterpart Ali Alatas and the powerful research and technology minister, Mr. Habibie. He invited them to France, where he said they would be met "at the best level."

"Commercially we have fallen dramatically behind," Herve de Charette said upon his arrival. He left yesterday with "genuine and serious hopes." French market share in Indonesia is around 2.5 percent. This should rise thanks to the energy, aeronautics, and urban transport industries. But Germany has 7.7 percent and enjoys influential networks: Mr. Habibie worked at Messerschmitt. As for President Suharto, whose last official trip to France was back in 1992, he was in Germany in April to open the Hanover fair.

To the 2,400 French expatriates in Indonesia Mr. de Charette hammered home the same message as in China and Hong Kong: "You are our best ambassadors on this rapidly expanding continent. A new presidential term has begun in France. You must be aware that Asia is one of the president's priorities." Jacques Chirac will give a major speech on Asia in Singapore just before the Europe-Asia summit on 1 and 2 March in Bangkok.

Bangkok Summit

For this summit that will bring together the 15 countries of the EU, the seven countries of the Association of Southeast Asian Nations (comprising Indonesia, Malaysia, the Philippines, Thailand, Singapore, Brunei, and Vietnam), China, Japan, and Korea, good relations with Jakarta are important. The upcoming visits by [Defense Minister] Charles Millon, Francois Fillon [minister for information technology, posts, and space], and [Industry Minister] Yves Galland will plug the "serious gap" of French ministerial visits to Indonesia, Mr. de Charette announced.

"It is difficult to finesse in a country with a population of 200 million, with an annual growth rate of 7 percent. Of course it has a very high debt but it is politically stable — Suharto has been in power for 28 years — and diplomatically influential. After recently leading the Asia-Pacific Economic Cooperation Body and the Movement of Nonaligned Countries, Jakarta is going to organize this year the 24th ministerial session of the Organization of the Islamic Conference," one French diplomat recalled.

The Europe-Asia summit, the first of its kind, will not have an agenda. It will be a place for making contacts, a forum where, according to Herve de Charette, "we will be able to talk about everything calmly and with determination." There will be nothing spectacular, the minister added. "It will not be until later that we will see, I hope, that it was a fundamental event."

The idea, for the time being, is to avoid sensitive topics. For example, the issue of Timor — a former Portuguese colony — annexed against its will by Indonesia 20 years ago. Ali Alatas said that he had received assurances from Mr. de Charette on this point. Mr. de Charette said that France remained "faithful" to the EU's position in favor of self-determination, but that it was "prepared" to use its good offices if asked.

Emphasizing the "quality" of his political talks in Jakarta, Herve de Charette noted "largely convergent views" on the financial and institutional reform of the United Nations and the signing of the Comprehensive Test Ban Treaty. Lastly, he expressed France's "interest" in the plan for a denuclearized zone in southeast Asia. As for French nuclear testing, "this was not mentioned since it is over," the minister concluded.

Indonesia: Timor Asylum Seekers Issue 'Statement' to Australian Envoy

BK1502070096 (Internet) INDONESIA Listserv in English 15 Feb 96

["Media Release" issued by the National Council of Maubere Resistance on 14 February 1996: "Statement by East Timorese Asylum Seekers in Australian Embassy Jakarta"; place not given]

[FBIS Transcribed Text] Indonesia, 6 February 1996

To the Australian Ambassador to Indonesia, Jakarta:

We the undersigned East Timorese youths, who are members of the movement fighting for the freedom of the East Timorese state and nation of East Timor, truly state that:

a. We, who issue this statement are indeed citizens of the non- self-governing nation of East Timor.

b. Our right to freedom, as enjoyed by other nations (such as the Indonesian, Portuguese, Australian, and others), has been taken away from us and violated by the Government of Indonesia since the invasion of East Timor by the Indonesian Armed Forces (ABRI) on 7 December 1975. We therefore reject the presence of Indonesia and ABRI in East Timor.

c. On the basis of the above, we strongly issue the following demands:

1. We ask the Australian Federal Government to pressure the Indonesian Government at the United Nations to remove all ABRI members from East Timor in accordance with standing UN resolutions on Indonesia (and East Timor).

2. We ask the Australian Federal Government to pressure the Indonesian government at the UN to release Xanana Gusmao and all other East Timorese political prisoners, since these prisoners have not been treated in accordance with valid international legal norms.

3. We ask the Australian Federal Government to pressure the Indonesian Government at the UN to cease all forms of intimidation and discrimination towards the people of East Timor, both in East Timor as well as in Indonesia.

4. We ask the Australian Federal Government to pressure the Indonesian Government at the UN to stop divisive tactics in East Timor, which have fragmented East Timorese society since the 7 December 1975 invasion.

5. We ask the Australian Federal Government to pressure the Indonesian Government at the UN to immediately hold a self- determination referendum, in accordance with international practice and under UN supervision, in East Timor for the people to express their true wishes.

6. We ask the Australian Federal Government to pressure the Indonesian Government at the UN to observe, implement and respect the full contents of the All Inclusive Intra-East Timorese Dialogue declaration issued by all participants in Austria in May 1995.

7. We ask the Australian Federal Government to pressure the Indonesian government at the UN to lobby all Asia Pacific states so that they also get involved in the withdrawal of ABRI members from East Timor and the decolonisation and self determination process of the territory in accordance with UN resolutions.

8. We ask the Australian Federal Government to pressure the Portuguese and Indonesian governments at the UN to involve East Timorese CNRM [National Council of Maubere Resistance] leader Xanana Gusmao and/or his diplomatic representatives in the tri-partite meetings on East Timor, since the basic problem of East Timor regards the people of East Timor.

9. We ask the Australian Federal Government to fully support the struggle of the Maubere people and all actions of political groups in Australia which may contribute to the freedom struggle of the East Timor people.

We make this statement in full respect of international norms and principles as contained in the UN Charter and Universal Human Rights Declaration, as well as the CNRM Peace Plan, for the future of the East Timorese people.

We thank you for your attention.

Sincerely,

Hermengildo Lopes, spokesperson;

Members: Aires Aparicio Guterres, Delta Alves, Ana Paula FM de Jesus, Faustino Ximenes Martins, Fidel Alves, Amorin Vieira, Florencio Amaral, Sejar das Quintas.

Indonesia: Resistance Claims 'Regular' Fighting in East Timor

BK1502050696 (Internet) INDONESIA Listserv in English 15 Feb 96

["Media Release" issued by the National Council of Maubere Resistance in Darwin on 12 February 1996: "Fighting and Killing Continue in East Timor"]

[FBIS Transcribed Text] News to hand from East Timor confirms that regular fighting and killing continues.

On February 5, at Hato-Lia (western region), Timorese resistance fighters — FALINTIL [East Timor National Liberation Armed Forces] — attacked members of the Indonesian Battalion 711 and captured 3 green berets soldiers. One was released after being disarmed. The other two remain as prisoners.

That same evening in Laleia and Cairui (Manatuto Regency), there was an armed confrontation between Indonesian soldiers and Timorese fighters resulting in 2 Indonesian fatalities and 5 injured. One Timorese was killed.

Latest information is that the total number of casualties in the Becora Prison riot, 15 days ago, has risen to 86, (more than previous thought). It is confirmed that one Timorese died in Hospital. One prisoner, Jose Joaquim, had an ear cut off. It is also confirmed that 10 prisoners escaped. Two have been recaptured, 8 remain at large (names are known).

This shows that, contrary to statements by the Indonesian Army, and inspite of their increased military presence and activity, the East Timorese armed resistance remains an effective force.

CNRM [National Council of Maubere Resistance] calls on the international community to increase pressure on Indonesia to withdraw its forces from East Timor in order to stop this unnecessary waste of human life. We also call on the UN to ensure its own resolutions relating to East Timor are actioned, including its right to self-determination.

Indonesia: Foreign Minister Holds Talks With Hungarian Counterpart

BK1502084596 Jakarta KOMPAS in Indonesian 15 Feb 96

[Unattributed report — received via Internet]

[FBIS Translated Text] Hungarian Foreign Minister Laszlo Kovacs held talks with Foreign Minister Ali Alatas at the Department of Foreign Affairs in Pejambon on Wednesday morning (14 February) as part of his 12-15 February official visit to Indonesia. The two foreign ministers discussed a number of European, Asian, and bilateral issues. In particular, they discussed cooperation in transportation. Foreign Minister Kovacs is scheduled to meet President Suharto as well as B.J. Habibie, minister of state for research and technology, and Ginanjar Kartasasmita, chairman of the National Development Planning Board, on Thursday (15 February).

Indonesia: Minister Discloses Foreign Debt, Repayment Figures

BK1402141696 Jakarta KOMPAS in Indonesian 14 Feb 96

[Unattributed report — received via Internet]

[FBIS Translated Excerpt] Jakarta, KOMPAS — Three state-owned companies, namely PT [Company Limited] Krakatau Steel, PT Bank BNI [Indonesian State Bank] and PT Jasa Marga, will go international. Part of the money obtained from the share sale will be used to repay Indonesia's foreign debt, which at the end of September 1995 stood at U.S.$61.3 billion. The repayment period ranges from eight to 28 years with an annual interest between 2 and 7 percent.

This was disclosed by Finance Minister Mar'ie Muhammad at a hearing with the parliament's budget commission chaired by commission chairman I Gde Arcana of the Armed Forces parliamentary faction in Jakarta on Tuesday (13 February). As for the three state-owned companies to be listed in foreign stock markets, the minister said preparations are being made now.

Commenting on Indonesia's foreign debt, the minister said there are 1,903 loan agreements, each of which has to be repaid individually. Over the next three years, debts repayments plus interest are estimated at U.S.$7.513 billion for financial year [FY] 1997-98, U.S.$ 7.541 billion for FY 1998-99, and U.S.$7.382 billion for FY 1999-2000.

The interest and debts repayments are forecast to rise by 2.4 percent annually, while domestic revenue should increase by an average of 12.2 percent annually from FY 1994-95 to FY 1998-99.

In the same period, the difference between foreign debt repayment and domestic revenue is estimated to fall from 29.7 percent in FY 1994-95 to 20.6 percent in FY 1998-99. [passage omitted]

Laos

Lao Defense Minister Departs for Working Visit to SRV

BK1502073596 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 14 Feb 96

[FBIS Translated Text] A high-level delegation of our National Defense Ministry led by Comrade Lieutenant General Choummali Sai- gnason, Political Bureau member of the Lao People's Revolutionary Party Central Committee and national defense minister of the Lao People's Democratic Republic, left Vientiane for Hanoi via special plane this morning to pay a friendly working visit to the SRV at the invitation of Comrade Gen. Doan Khue, Political Bureau member of the Communist Party of Vietnam [CPV] Central Committee and SRV national defense minister. During the five-day working visit, the high-level delegation of our Lao National Defense Ministry is scheduled to hold talks with a high-level delegation of the SRV National Defense Ministry, sign a protocol on cooperation between the two Armies for 1996, lay wreaths at a monument to unknown combatants of the Vietnam People's Army [VPA] and a memorial to President Ho Chi Minh, pay courtesy calls on CPV leaders, and visit VPA soldiers in the Fifth Region.

A ceremony to see off the delegation was held at the National Defense Ministry. The ceremony was attended by Comrade Lt. Gen. Siphon Phalikhan, member of the party Central Committee, deputy minister of national defense, and chief of the Army General Political Department, along with representatives of the three Army general departments, representatives of the Ministry, and many high- and medium-ranking officers. Bui Van Thanh, SRV ambassador extraordinary and plenipotentiary to Laos, was also present at the ceremony.

Lao Foreign Minister Meets Visiting ASEAN Delegation

BK1502050996 Vientiane KPL in English 0918 GMT 14 Feb 96

[FBIS Transcribed Text] Vientiane, February 14 (KPL) — Lao Foreign Minister Somsavat Lengsavat yesterday received here the visiting delegation of the ASEAN Standing Committee led by Mr. Raharjo Tamtomo, director general of the ASEAN national secretariat of the Republic of Indonesia. The visit is in response to the Lao foreign minister's invitation.

Mr. Somsavat Lengsavat warmly welcomed his guests. He talked about Lao PDR's [Lao People's Democratic Republic] preparation to become an ASEAN full member. Mr. Lengsavat informed them about Laos' progress in organisational and technical preparation, among others.

The head of the visiting delegation said that the mission in Laos was to consult with the Lao side and find facts pertaining to Laos' membership in the Association of Southeast Asian Nations (ASEAN). The guests also talked about experiences of each member country of ASEAN, and their inner co-operation, rules, and regulations.

Philippines

Philippines Witnesses Describe Bombing; President Comments

BK1502021696 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 14 Feb 96

[Italicized Passages in English]

[FBIS Translated Text] Four people were seriously injured in four separate bomb explosions that shook the offices of the Pilipinas [Philippines] Petroleum Corporation and the Citibank Building on opposite ends of Villar Street, Salcedo Village, Makati yesterday [14 February]. According to reports, President Ramos was at the Manila Peninsula Hotel near Makati when the bombings took place.

Three of the victims have been identified as Ernesto Cadiz, Jane Tagal, and Imelda Paredes. Another unidentified woman was also hurt in the bombing incident. The four were immediately rushed to the Makati Medical Center:

[Begin Imelda Paredes recording, in progress] ...*sound*, I told them: Oh, this is Valentine's Day. Is this the way Valentine's Day is celebrated here, with explosions? *Anyway, I heard it first* on my *right side. So maybe* it was along Paseo, was it Paseo? *I understand* the first bomb was *eight [word indistinct]*. So it must be along there. On the *second sound* of the *bomb*, it was on my *right side*, so *it must be* going toward the Shell side. We were already very afraid. *Then the third* — that was the strongest — I told the guard: Come on, let us get out. It might be around here. It was really frightening. So when I got out, as I was going out, I felt there was glass flying around, then *I saw* my *arm bleeding*. [end recording]

Two of the four bombs exploded at the Citibank Tower at the corner of Villar Street and Paseo de Roxas, while the two other bombs destroyed the eighth and ninth floor of the Pilipinas Shell building at the corner of Villar and Valero Streets. The bombs destroyed several glass panels in these buildings.

After the bombings, police recovered a black bag from a nearby residential building. Several high-caliber arms and three grenades were found in the area:

[Begin recording] [Witness Susan Nacis, in progress] ...so I asked... [pauses] because the door was slammed. Then I said: Inday, what was that? She said: Was it you? I said: No. So I opened the door. Then I saw the big black bag. I tried to pick it up, but it was heavy.

[Unidentified correspondent] You did not see who left the bag?

[Nacis] No. I looked at the hallway, but there was nobody there. [end recording]

According to NCRC [National Capital Regional Command] Chief Job Mayo, it is possible the grenades were fired from the building where the two bags of weapons and bombs were later found:

[Begin Mayo recording] *There was a group that attempted to hold a bank robbery, but they saw so much of our patrol, so they aborted it and created a diversionary tactic by firing at some of the buildings here.* Now, *on their escape,* they noticed that there was a checkpoint over in that area [motions in one direction]. They left their things there [motions in another direction]. [end recording]

Mayo suspects that the bombings were a diversionary tactic in connection with the planned robbery of either the China Bank or Citibank.

Meanwhile, President Ramos ordered PNP [Philippine National Police] Chief Receredo Sarmiento to conduct an intensive investigation of the bombings that took place in Makati yesterday. The authorities believe the bombings were part of a failed bank robbery. President Ramos, however, thinks the bombings were a terrorist act. Nevertheless, he dismissed allegations that he will revive the antiterrorism bill because of the incident:

[Begin Ramos recording] *I think we should wait for the police investigation on the matter, and the investigation has been going on. I, however, reminded the chief PNP that they should look at all angles.* [end recording]

President Ramos was near the area when the incident took place. He was about to attend the Information Technology Professionals Congress at the Manila Peninsula Hotel. Malacanang [presidential palace] officials made sure that the president was out of danger in connection with the incident:

[Begin Ramos recording] *I did not dive into my car. I did not (?run away). I did not ask for a protective cover, because I am used to these things. It had been my bread and butter for 49 years.* Just relax. *Do not be (?tense).* [end recording]

Senator Juan Ponce Enrile has dismissed the possibility that the government itself was involved in the Makati bombings. According to Enrile, people should not relate the antiterrorism bill he is advocating to the Makati bombings. Meanwhile, Senator Orlando Mercado says the government should not pass the antiterrorism bill hastily because of the bombing incident that took place very recently:

[Begin recording] [Enrile] *People are always cynical. They will always impute all kinds of interpretations regarding this. They could probably even blame the government as the one doing this. But I do not think... [pauses] That is too much. I think no government would want to destroy itself in that fashion.*

[Unidentified correspondent] *Could this be used as an excuse to rush the passage of the antiterrorism bill?*

[Mercado] *I do not think it should be an excuse. Terrorism will always be part of this modern age. Look at England. In London, after they have signed an agreement with the IRA, suddenly there was an explosion. Now we should not swing from one extreme to the other. I think what we should do is study things very carefully; come up with a consensus. If we need a bill, let us have a bill. If we do not want the bill, let us face the consequences, but let us not be pushed just because there a few bombings that are happening. There is no terror wave.* [end recording]

Philippines: More on Grenade Explosions in Makati City

BK1502065196 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0655 GMT 14 Feb 96

[FBIS Translated Text] [Newscaster Lyn Ching] As what we have reported earlier, a bomb exploded in Makati at 1215 [0415 GMT]. Here is a full report from Martin Gonsalvez:

[Begin live relay] [Gonzales] Here we are at the stretch of Villar Street in Salcedo Village, Makati where a long series of strong explosions, believed to be coming from high-powered firearms, happened at 1215.

Three huge buildings here were hit by the explosions that includes the Citibank Building, located at the corner of Villar and Paseo de Roxas Streets, which you can see at the background. The Citibank Building was hit by suspected M16 rounds and explosions from M209 grenade launcher. The Shell House, which is a block away from the Citibank Building, was also hit.

Some of the equipment used by the suspects in the bombing were found in a residential building called Blanco Center. This is two blocks away from the corner of Paseo de Roxas and Villar Streets.

With us here is Chief Superintendent Job Mayo, head of the National Capital Region [NCR] Command. This is a good opportunity Chief Superintendent Mayo because it is still uncertain what is the motive for the explosions. Could you please tell us what are your initial findings? Is this a terrorist attack? Is this a bank robbery? What is happening here?

[Mayo] We can see from these series of events, because of the prompt arrival of our police here under Block Commander Ruiz, that the bank was the first building being fired upon here at the corner. Their intention was to go inside the bank. But there were many guards and they were alert because an armored car was going out. So they were able to respond immediately. So the bank robbers were not able to descend and they proceeded to the stretch of Villar.

In order for them to distract, they fired upon the base of a building and when they were a little bit far, they fired the top of this building, this Shell Building.

And then, we reckon they turned right here at the end of Villar and when they escaped, there was already a checkpoint there at their destination. So they descended and left their equipment in an empty room.

And here we have recovered — as what have been reported that there were persons who descended and left a big bag. The contents of this bag are two baby armalites, one M79 adaptation, eight unspent rounds of 40 millimeter grenade, eight M16 armalite magazines loaded with bullets, five bonnets, and two crow bars. This indicates that these tools are really for bank robbery, like the bonnets, so that they will not be identified when they enter the bank. And they also have crow bars, if they want to forcibly open the desks of tellers or the safe which is half open.

[Gonzales] Sir, based on your investigation and from the testimonies gathered, do you have descriptions of the suspects or how they were able to escape?

[Mayo] Well, as of now we are still consolidating that because we are gathering witnesses and they are now at our police station to give additional information.

What we have right now is an NCR-wide dragnet for a silver painted, heavily tinted L300 [type of car]. This is what they used for their escape there at the back of Blanco Building heading to the highway.

[Gonzales] Okay, thank you. You have just heard our interview with Chief Superintendent Job Mayo of the National Capital Region Command. So we will just wait, General, for the result of your investigation. Reporting live from Villar Street here in Salcedo Village, Makati, this is Martin Gonsalvez for GMA News Live, back to studio. [end live relay]

[Ching] Thank you Martin. In a related news, three of the four victims from the blast are now safe. The condition of Ernesto Cabiz and Imelda Paredes, who are both confined at the Makati Medical Center, is now stable, including Myrna Resentoso who was rushed to the Makati Hospital immediately. The condition of Jay Tagan, the victim who was hit by a shrapnel on the head, is still under observation.

In regard to this, Philippine National Police Chief Recaredo Sarmiento said it is still too early to say who is responsible for the bombing. He said it could be possible that this has nothing to do with the antiterrorism bill, but this might be connected to the oil price hike because there were similar bombings in 1993 and 1994 due to the oil price hike.

Philippines Interior Secretary Claims Terrorist Threat 'Real'

BK1502093096 Manila PNA in English 1559 GMT 13 Feb 96

[Received via Internet]

[FBIS Transcribed Text] Bacolod City, Feb. 13 (PNA) — Interior and Local Government Secretary Rafael Alunan III has defended the proposed antiterrorism bill, claiming the threats of terrorists in this country is real and such force 'must be dealt (with) heavily with a more superior force.'

Alunan, who came here over the weekend as guest speaker during the Visayan Conference of the Vice Mayor's League of the Philippines (VMLP) held at Goldenfield Garden Hotel in Bacolod, said the terrorists are operating on a "borderless environment" and it is unfair to the law enforcement agencies operating in a locality with limited firepower and means.

"We have to keep pace with these misguided elements. Give us the fighting chance to fight them," the DILG [Department of Interior and Local Government] head said, referring to the antiterrorism bill as one lethal weapon to deal with the more sophisticated hardware of terrorists.

He stressed that government itself needs an effective, legal shield to combat terrorism which is a growing menace even in advanced or highly-civilized societies of the world today.

Present laws, he stressed, are inadequate to deal with terrorism and has in fact constrained the capability of police operations and the criminal justice system, thus the need to upgrade existing laws such as wiretapping, banking secrecy, and warrantless arrests. Such laws, he noted, have already been in existence for more than 30 years.

"Why don't you give our government a fighting chance to have a fair and square deal with these terrorists who run roughshod of our laws and our people's welfare and protection?" he asked the vice mayors present.

In asking this, Alunan stressed that safeguards have already been established by the government to avoid possible violation of human rights and civil liberties of individuals, thus there is nothing to worry about.

In the interest of public safety, he noted, the main thrust and objective of the government is to push for the criminalization of terrorism because it is not yet a criminal act.

Therefore, the antiterror move must be seen in its proper perspective. Terrorism, needless to say, is a psy-war [psychological warfare] tool aimed at instilling fear in the hearts and minds of our citizenry, undermining the people's trust and confidence in their government, and harming the economy in the process, Alunan said.

He added that the ongoing debate and conclusions by certain sectors that the antiterrorism bill is bad per se, is both stupid and premature, considering there is simply no basis yet.

Philippines: APEC Exchange, Training Workshop Set for 13-15 Mar

BK1502073796 Manila PNA in English
1504 GMT 13 Feb 96

[Received via Internet]

[FBIS Transcribed Text] Manila, Feb. 12 (PNA) — The Philippine Government will host the organizational workshop for the APEC [Asia- Pacific Economic Cooperation] Center for Technology Exchange and Training for Small and Medium Enterprises (ACTETSME) on March 13-15, 1996 at the New World Hotel, Makati City.

Trade and Industry Secretary Rizalino S. Navarro said the workshop will be participated in by representatives of the 18 APEC member-economies, international experts and agencies involved in the promotion of SMEs [Small and Medium Enterprises].

The workshop will define the important considerations and organizational structure needed by the center, which is now under construction in Los Banos, Laguna.

"One of the outputs of the workshop will be a preliminary operational plan on the ACTETSME. The workshop is one of the pre- implementation activities of the center," Navarro said.

The ACTETSME is the initiative of President Ramos adopted by APEC leaders in Blake Island, Seattle on Nov. 2, 1993.

The center is a resource center with distinct capabilities in information networking, mobilizing of training opportunities for technical know-how absorption and upgrading, and organizing specialized activities to promote technology transfer among SMEs in the APEC region.

Philippines: APEC Officials View 'Resource Pooling' for Development

BK1502070896 Manila BUSINESS WORLD
in English 15 Feb 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Senior officials representing economies of the Asia-Pacific Economic Cooperation (APEC) forum are considering departing from the "donor-donee" philosophy of development and shift to resource pooling to harmonize regional interests and minimize national agenda.

Edsel Custodio, assistant secretary at the Department of Trade and Industry (DTI) and the country's representative to the senior officials' meeting, told BUSINESS WORLD this was one of the ideas presented by the Philippines during the meeting last February 7-9.

If and when adopted, the development cooperation function of the APEC will foreshadow economic donor groups like the United States Agency for International Development and Japan's External Trade Organization.

"This new philosophy we suggested will concentrate on harnessing economic strength and viability of APEC members without any strings attached. It would no longer be an assistance coming from a particular country, say the United States, to an ailing one," Mr. Custodio said.

As the term indicates, APEC member economies will pool their resources to come to the aid of another member. Thus, the "mercantilist" notion of using the indebtedness of a donee to benefit the donor can be done away with.

Resource pooling is also expected to enhance regional bonding and enable APEC economies to exploit opportunities for trade liberalization and facilitation.

APEC's resource-pooling will concentrate on the areas of human resources, telecommunications, information, and other venues of services aside from the "classic" modes of development like infrastructure and technology, the Philippine representative added.

Philippines: Fleet Commander Comments on Seizure of 'Pirates'

BK1502073896 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 14 Feb 96

[FBIS Translated Text] Commodore Nicasio Blancas, commander of the Philippine fleet, has announced that there is a possibility the Chinese pirates threw their weapons away before they were captured by Navy patrols in the seas off Zambales recently. According to Blancas, it is impossible that the pirates did not have any weapons with them during their voyage. He added that the ship, a naval-type craft, must have intruded into the country's territorial waters in the past but escaped Navy patrols. Based on investigations, no weapons have been found inside the ship, which carried 20 suspected Chinese pirates. The authorities were able, however, to confiscate several modern communication devices, several fake ID's, and Chinese and Vietnamese flags.

Meanwhile, three naval teams, including patrol ships and gunboats, will be deployed for the security of the APEC [Asia- Pacific Economic Cooperation] summit to be held in Subic in November.

Philippines: NEDA Approves Seven Development Projects

BK1502085096 Manila PNA in English 1447 GMT 14 Feb 96

[Received via Internet]

[FBIS Transcribed Text] Manila, Feb. 14 (PNA) — The National Economic and Development Authority (NEDA) Board approved Tuesday seven development projects worth about 29 billion pesos which are intended to meet the infrastructure needs of the country.

The transportation subsector accounted for the bulk of the amount, listing four projects worth 18 billion pesos. These are the 10.3 billion pesos Ninoy Aquino International Airport (NAIA) Terminal III; the 6.5 billion pesos Manila-Cavite Toll Expressway; the 343 million pesos Automated Fare Collection System; and the 902 million pesos Laguindingan Airport.

The first project involves the construction of a new international passenger terminal and associated facilities at the NAIA under a Build-Operate-Transfer arrangement.

Under the next project, a 25.5-kilometer tollway from Metro Manila to Noveleta, Cavite will be constructed. This includes the upgrading of the existing 6.6-km R-1 expressway from Airport Road to Zapote; the construction of a 7.5-km, six-lane C-5 link connecting the R-1 expressway with the South Luzon Expressway; and the construction of the 11.4-km, four-lane R-1 extension between Kawit and Noveleta.

This project is part of the national arterial roads program and is designed to further boost development in the Calabarzon (Calamba, Laguna, Batangas, Rizal, Quezon).

The new system for the existing Light Rail Transit (LRT) covers the procurement of an AFC [expansion unknown] system consisting of microcomputers, analyzer-dispenser machines, automatic gates, and plastic magnetic cards as fare medium.

The Laguindingan Airport project, on the other hand, which is under transportation subsector involves the construction of a new international-standard trunk line airport at Laguindingan, Misamis Oriental.

Meanwhile, approved projects under the trade and industry subsector were the credit relending program involving $300 million loan from the Japan Export-Import (Exim) Bank through the Development Bank of the Philippines.

The loan facility supports private sector enterprises with strong export potentials and high socio-economic impact.

The last two approved projects with a combined cost of 3 billion pesos fall under energy, power, and electrification. The first project provides for a transmission grid reinforcement loan while the other involves Phase II of the Mindanao substation.

Philippines: Three Major Opposition Parties Willing To Unite

BK1502084996 Manila BUSINESS WORLD in English 15 Feb 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] If all goes well, the nation will witness a united opposition in the 1998 national elections after the three major opposition parties yesterday expressed willingness to forge an agreement. However, such a situation will only be realized if those who have presidential ambitions set their own agendas aside.

"The offer is good but the politicians must be willing to withdraw their bids for positions, if necessary," said Nationalist People's Coalition [NPC] president Senator Ernesto Maceda.

Senator Miriam Defensor yesterday said she is seeking a meeting with Laban [Struggle of Filipino Democrats] president Edgardo Angara and the NPC's Eduardo Cojuangco to unify the opposition. Her move to consolidate the parties came after the Supreme Court dismissed her electoral protest against President Ramos.

Mr. Angara welcomed the call for a united opposition, saying "I think it would be harder for Malacanang [Presidential Palace] to continue turning deaf ears to our position and alternative solutions to the problems saddling our country if we speak in one voice."

Thailand

Thailand: Troops Deployed Close To Burmese Border

BK1402125696 Bangkok SIAM POST in Thai 14 Feb 96 p 2

[FBIS Translated Text] A correspondent has reported that the 4th Infantry Division, a combat unit of the 3d Army Region with bases in 13 northern provinces along the border provinces of Uthai Thani, Chiang Rai, and Chiang Mai, has ordered combat readiness tests for units of the 7th Infantry Department and the artillery. Meanwhile, Burmese troops have moved close to the Thai border of Ban Doi Rang, Mae Ai District, and Ban Lang Taeng, Wiang Haeng District, Chiang Mai Province. More than 2,000 of the troops are armed with both heavy and light weapons and are supported by a large number of vehicles.

Major General Prayut Thapcharoen, 4th Infantry Division commander, said a border inspection has revealed Burmese forces closing in on most of the Thai border areas, especially at Ban Doi Rang and Ban Pang Ton Muang in Mae Air District, and Ban Lak Taeng, Wiang Haeng District, Chiang Mai Province. They are also found to be combat ready.

"The 3rd Army Region combat unit has therefore organized a military exercise to check the readiness of the Thai force there, which consists of about 2,000 soldiers," the 4th Infantry Division commander said.

Maj Gen Prayut said in this war game, the 4th Infantry Division will be equipped with communications equipment, vehicles, tanks, artillery, OV-10 aircraft, and helicopters, and a supply of reserve troops. This is to simulate actual battle conditions. Real border patrol troops have already been ferried to border areas. If there are clashes, Thai residents along the border should feel secure, he pointed out.

Asked if there will be a real clash, Maj Gen Prayut said he has not thought that far but that it is necessary to be fully prepared. However, he has confidence in an agreement made by both Thai and Burmese sides that there will be no use of force.

General Chawalit Yongchaiyut, deputy prime minister and minister of defense, said the fighting along the Thai-Burmese border is still continuing and Thailand's policy is to retaliate against whoever intrudes into Thai territory.

Asked if there will be coordination between the Burmese Government and its rivals, the defense minister said, "We have helped them a lot. We cannot do that any more, or else we would have to go help them in their homes. The division of power is a big issue. We better not meddle in their business because ours is messy enough already," he said.

Thai General Dismisses Reports of Burmese Military Challenge

BK1502053996 Bangkok BANGKOK POST in English 15 Feb 96 p 8

[Unattributed report]

[FBIS Transcribed Text] Chiang Mai — An army commander yesterday dismissed reports that the presence of Burmese troops at the ill- defined border area at Doi Lang opposite Mae Ai District was intended to challenge the Thai military.

Maj-Gen Prayut Thapcharoen was referring to the Burmese troops' occupation of a former Mong Tai Army stronghold following drug warlord Khun Sa's surrender earlier this year.

Thailand and Burma, holding different maps, have claimed sovereignty over a 32-square kilometre area of Doi Lang.

Currently, neither Thailand nor Burma uses the disputed area, said the commander of the Fourth Infantry Division under the Third Army Region.

On Tuesday five infantry units from the Seventh Infantry Regiment and an artillery company started a field exercise in the border areas of Fang and Mae Ai districts, near Doi Lang.

The exercise was presided over by the Fourth Infantry Division commander, said a border source.

The reinforcement of troops near the disputed area was intended to prevent interference by a third party, said Maj-Gen Prayut.

"Burma has also dispatched soldiers to the area, but I can say troops of the two countries still enjoy friendly relations. We are not using the forces to confront each other," he said.

"The current border situation is not tense. The Fourth Infantry Division is still able to control it," he said.

He said questions relating to the border line are a matter for the Foreign Ministry.

Thailand: Burmese Attack Karennis; Shells Land Across Border

BK1502092896 Bangkok THAILAND TIMES in English 15 Feb 96 p A2

[Report by Atsawin Phinitwong]

[FBIS Transcribed Text] Tak — Areas on the Thai side of the Burmese border were bombarded with mortars yesterday when Burmese troops attacked soldiers of the Karenni National Progressive Party [KNPP] in Kayah state, according to a military source.

Since Tuesday, seven State Law and Order Restoration Council [SLORC] battalions have been deployed along a 120-kilometer strip between Mae Hong Son province's Khun Yuam and Muang districts, said the source.

The troops were deployed to force the surrender of KNPP forces, however, the guerrillas show no sign of yielding.

The attack occurred at about 7 am, when approximately 120 soldiers led by Lt-Col Thaung Shwe and Lt-Col Kyaw Thein lobbed 41 K-120 and K-81 mortar shells at the Karenni base. The KNPP retaliated with 31 K-81 mortars.

Six of the K-120 mortars fired by SLORC landed on Thai soil, however, it is unknown whether any damage was caused.

After the mortar exchange, the two sides exchanged small arms fire for a number of hours.

The source said Maj Pa Lay of the KNPP contacted his superior, Lt-Gen Ba Thu, to ask for immediate reinforcements.

The source also said the KNPP's Gen Aung Than Lay asked Gen Bo Mya of the Karen National Union [KNU] for help in the conflict. However, the KNU is not expected to send troops to assist because they are currently involved in sensitive ceasefire negotiations with Rangoon.

Gen Aung Than Lay said the Burmese government's attack yesterday violates an agreement signed last year in Loi Kaw. The Burmese junta stated in the agreement that it would not launch any incursions into Kayah.

In another development, about 30 KNPP guerrillas yesterday attacked a government supply truck on a road between Bo Ra Kae district and Loi Kaw township, killing three soldiers and setting the vehicle ablaze.

The fighting between the KNPP and the SLORC troops is expected to end by the weekend.

The Karenni are a small minority group close in ethnicity to the Karen. They fought alongside British commandos against the Japanese in World War II, and later turned against the Burmese government when the country became independent from Britain in 1948. The group is demanding autonomy for the Karenni people.

Thailand: Joint Meeting on Malaysia Border Wall Sought

BK1502064796 Bangkok THE NATION in English 15 Feb 96 p A2

[Unattributed report]

[FBIS Transcribed Text] Mounting negative sentiment over Malaysia's construction of a wall opposite Satun province has prompted the Thai government to push for an early convening of the Thai-Malaysian Joint Commission (JC) by the end of this month.

Prime Minister Banhan Sinlapa-acha said yesterday the Army would urge the Foreign Ministry to push for an early JC ministerial-level meeting, which meets annually to review bilateral relations.

Banhan said he also instructed authorities concerned to keep track of the construction, following protests from local authorities and government officials over the continued work.

The move came amid fears from the Thai military and local villagers that the wall line would continue to the land border point and out into the sea, thus complicating the sea border.

According to Thanin Chaisamut (Democrat-Satun), both countries reached agreement in 1975 that the sea boundary in that area was between Turatao and Langkawi islands, a grey area believed to contain rich oil and gas fields.

Thanin also expressed concern excessive criticism without actual knowledge of the case would negatively affect bilateral relations.

Marine Police in Satun yesterday downplayed reports that Malaysian naval patrol vessels were spotted near Turatao island, saying their presence was in preparation for joint naval exercises in April.

Meanwhile, House Committee for Military Affairs' spokesman Suphat Thammaphet said the committee will recommend that the government set up a joint committee on pending boundary disputes with experts from the Defence and Foreign Ministries. They would negotiate with the Malaysian side to end ambiguity over construction of the wall.

Speaking after the committee meeting yesterday, Suphat reasoned that the Foreign Ministry alone could not be relied upon because it is not knowledgeable about this particular problem.

The Democrat MP however praised the experts of the Defence Ministry as being most knowledgeable about the precise location of the border. The committee was yesterday briefed by experts from the Department of Military Surveys.

He said the Foreign Ministry should be more active in this case and urged it to continue protesting over the construction.

Thailand: Asia Wants EU To Match APEC Liberalisation at ASEM

BK1502065996 Bangkok BANGKOK POST in English 15 Feb 96 p 8

[Report by Somphon Thapphanachai and Peter Maitri Ungphakon]

[FBIS Transcribed Text] Chiang Rai — Asian participants in next month's summit meeting with European Union heads of government want to urge the EU to match market-opening moves in the Asia-Pacific region, Deputy Prime Minister Amnuai Wirawan said yesterday.

He was speaking to reporters as ministers from the 10 Asian participants arrived in Chiang Rai for two days of consultations on economic issues that will be raised at the Bangkok summit next month.

Dr Amnuai said economic ministers from the 10 agreed when they met in Osaka last November that the EU should be pressed to respond to the trade and investment liberalisation targets of the Asia- Pacific Economic Cooperation group (APRC).

The 10 are made up of the seven members of the Association of Southeast Asian Nations (ASEAN) and China, South Korea and Japan.

APEC's leaders have agreed that developed-country members should open their markets by 2010 and developing-country members by 2020. Members still have not decided whether total or near-total liberalisation should be achieved by those target dates.

But they have agreed that, initially at least, the liberalisation should apply to trade and investment from non-members as well as among APEC's own membership.

Dr Amnuai said, "This means that European countries will benefit from the APEC process.

"Now we certainly want to challenge Europe to open up their process in the same manner."

APEC includes the United States, Canada, Mexico, Chile, Australia, New Zealand, Papua New Guinea, Taiwan and Hong Kong plus nine of the 10 East Asian countries participating in next month's summit. Vietnam, ASEAN's newest member, is not in APEC .

Dr Amnuai indicated that he considers a response from the EU to be a priority.

He described one of the objectives of the Asia-Europe summit as the creation of a "process" that would be "parallel" to APEC.

But he added this need not involve the creations of an organisation to mirror APEC with its modest headquarters in Singapore.

At the same time, the Thai hosts are stressing the first Asia- Europe summit should not dwell on controversy. Rather, they say the summit should focus on developing areas of cooperation.

A minor difference of emphasis remains even within the Thai camp, however.

Business Economics Department director-general Kroekkrai Chiraphaet told reporters he was recommending that issues of conflict should not be raised during the Asia-Europe summit at all, for example the Asian complaints about EU anti-dumping actions.

Dr Amnuai said anti-dumping — tax penalties imposed by importing countries on goods considered to be exported at unfairly cheap prices — could be mentioned during the summit, but only to place on the record an issue that could be tackled later.

The first ever gathering of leaders from the 10 Asian countries, the 15 EU members and the president of the EU commission should make broad political commitments for the two sides to cooperate in specific areas, Dr Amnuai said. That would leave ministers and officials to work out the details.

Asian and European officials drafting a chairman's statement to be issued at the end of the summit have already agreed on passages expressing a commitment to "open regionalism" and liberalisation that does not discriminate against anyone.

Senior officials from the 10 Asian countries met briefly yesterday before Dr Amnuai hosted a dinner and an informal session for the ministers.

Formal consultations take place today and tomorrow morning.

Dr Amnuai will also take the opportunity of this week's meetings to seek joint-venture partners for the second bridge linking Thailand and Laos across the Mekong River.

Laos has said it wants the bridge to be built at Mukdahan Province.

One area on the Asia-Europe agenda is investment, with both the Asians and Europeans concerned that European investment in Asia is lagging behind investment from other regions.

Dr Amnuai said the Asians will give priority to private sector participation, especially for small and medium enterprises.

One proposal, for the establishment of a business council for Asia and Europe, will also be highlighted at the meeting.

Thai Spokesman: Three European Leaders To Miss ASEM

BK1502065896 Bangkok THAILAND TIMES in English 15 Feb 96 p A1

[Report by A Uthamangkaphong]

[FBIS Transcribed Text] Bangkok: All but three leaders have accepted Thailand's invitation to participate in the first-ever Asia-Europe Meeting (ASEM) to be held early next month, Foreign Ministry spokesman Suraphong Chaiyanam said yesterday.

Sweden, Spain and Denmark have informed Thailand, who will host the historic meeting on March 1-2, that their prime ministers will be absent.

Suraphong said the leaders of 22 nations, along with Jacques Santer the European Commission president, have said they will attend ASEM, which brings leaders from 10 Asian nations — seven members of the Association of Southeast Asian Nations, plus China, South Korea and Japan — to meet with their counterparts from 12 members of the European Union (EU), along with high ranking replacements for the three absentees.

"Japanese Prime Minister Ryutaro Hashimoto and his Foreign Minister, Yukihiko Ikeda, will definitely be attending ASEM," said Suraphong.

However, the two Japanese delegates will probably not be able to come to the informal preliminary leaders' meeting on 29 February since it is the first day of the country's parliamentary session.

Suraphong said Japan would be bringing up some other political and economic issues alongside political cooperation at ASEM, but no particularly sensitive issue since it does not want to harm the first meeting between the two continents.

He also said that Sweden will be raising a number of political issues, including United Nations (UN) reform, the UN monetary crisis, and other matters related to UN activities.

"They confirmed that they will definitely not bring up any sensitive issues, like human rights, in the summit," said Suraphong.

Swedish Prime Minister Ingvar Carlsson, who will be missing from the summit since he is going to resign in the middle of March, is sending his foreign minister, Lena Hjelm Wallen, to take his place.

Regarding reports that Portugal is planning to bring up Indonesia's human rights violations in East Timor, Suraphong said that the old European colonists just wanted to make up for their unwise decision to allow East Timor to govern itself when it was not ready for it. Indonesia's military occupied East Timor soon after, claiming it as part of its territory.

Human rights groups claim 200,000 East Timorese lost their lives during the military invasion and occupation.

Suraphong said the main purpose of ASEM is to seek constructive cooperation between Europe and Asia.

"But if any countries want to raise sensitive issues, nobody is going to stop them," he added.

He also noted that there are many sensitive issues which would make some of the countries attending the meeting feel uncomfortable. He thinks it would be better if they were not mentioned.

"European and Asian people have different perspectives on human rights, child labor, women's issues, and labor standards," said Suraphong.

Thailand: ASEAN Partners Sign Deal on Potash Mining Project

BK1502104596 Bangkok BUSINESS DAY in English 15 Feb 96 p 1

[Report by Editor Julius Gorman]

[FBIS Transcribed Text] Once considered dead and buried by industry observers, the Chaiyaphum potash mining project has been given a new lease of life and is set to be in production by the end of the decade.

The $500 million scheme is Thailand's project under the ASEAN Industrial Joint Venture initiative of the 1970s and Thailand's ASEAN partners all retain a stake — Indonesia and Malaysia with 13 percent each, and Brunei, Singapore and the Philippines with 1 percent each, in addition to the Thai government's 20 percent stake.

Pricha Atthawiphat, director-general of the Department of Mineral Resources, said yesterday that a contract to sink the first mine shaft would be signed on February 27 with Trafalgar House Construction International.

Meanwhile, stakes in the private sector portion of the scheme are being restructured as part of a capital increase. The Charoen Phokkhaphan [CP] stake will fall from 13.67 percent to 2.45 percent and a second key Thai private sector partner, Phadaeng Industry, will not exercise its rights and see its shareholding fall to 1.76 percent from 10 percent. Also taking a less prominent position will be Thai Asashi Glass, its stake falling from 11 percent to 5.62 percent.

Taking a more bullish view of the mines prospects are General Finance [GF] and the private mining and fertilizer company, Thepharak International, according to the Industry Ministry. A spokesman at Thepharak described talks on the capital increase as "at a sensitive stage and still confidential", while no one at GF could comment. The CP Group said its decision to scale down its participation was based on the availability of rock salt elsewhere.

The Chaiyaphum mine will produce 1.25 million tons of potash annually from the year 2000 and half a million tons of sodium chloride as early as next year when sitework begins.

Global demand for potash salts fell from a peak of 32 million tonnes in 1988 to 20.8 million tonnes in 1993. In 1994, consumption was estimated at 23.7 million tonnes, with potash mining suffering from overcapacity and many operators running at well below capacity.

However, environmental concerns about chemical fertilizers are less pronounced in Southeast Asia than in the West, and Asian imports of potash salts in 1994 were 5.8 million tonnes, indicating plenty of pent-up demand.

The success of the ASEAN potash project will also depend on the fortunes of a rival mine planned for Udon Thani province, where Thai Central Chemical has raised its interest to 27.5 percent from 15 percent and plans to develop a mine with a capacity of 2 million tons per year in partnership with 62.5 percent stake holder, Asia Pacific Resources of Canada, and the Thai Government, with 10 percent.

Thai Government Agrees to MoU on Asia-Pacific Port Controls

BK1502064896 Bangkok THE NATION in English 15 Feb 96 p B2

[Report by Chetsada D. Phansaisi]

[FBIS Transcribed Text] The Thai government has agreed to the Memorandum of Understanding [MoU] on Port State Control in the Asia- Pacific Region.

According to the Ministry of Transport and Communications, the commitment was made for the Harbour Department, which is a member of the International Maritime Organization (IMO), to sign the MoU.

The Harbour Department joined the IMO, which controls international maritime activities, two years ago.

The memorandum of understanding is part of a process aimed at helping governments control their maritime industries.

For the security and control of shipping lines in the region, the MoU would allow each country to check the security standards of all vessels at their ports.

According to Transport and Communications Deputy Minister Chaiphak Siriwat, the Cabinet last week approved the memorandum and would officially inform the secretariat.

"Safety at sea and protection of the marine environment are not our only concerns but they head the list of priority issues that need to be closely monitored," he said.

Port State Control activities in the Asia-Pacific region promote maritime safety.

Thailand: Committee Considers Rice Sale To North Korea

BK1402123096 Bangkok NAEO NA in Thai 14 Feb 96 p 18

[Unattributed Report]

[FBIS Translated Text] Speaking to reporters about his meeting with [Yi Song-ok], visiting deputy North Korean minister for foreign economic affairs, on 12 February, Commerce Minister Chuchip Hansawat said North Korea wants to buy 500,000 tons of rice from Thailand on a *countertrade basis* [italicized words rendered in English]. Under the arrangement, the country will barter steel, fertilizer, and other products for Thai rice.

Earlier, North Korea sent a delegation here to negotiate for the rice purchase that was later approved in principle by the National Rice Policy Committee.

However, before approving the sale, the National Rice Police Committee has to consider North Korea's failure to pay over $13 million before the December 1995 deadline for the rice it purchased when it was devastated by heavy floods.

Chuchip said North Korea cited its economic slump for its debt default. For the sake of good ties, the National Rice Policy Committee will come up with easier payment terms for North Korea at its upcoming meeting before working with the Foreign Trade Department on the details of the transaction.

Thailand: Laos, Burma To Receive Financial Aid

BK1402151096 Bangkok PHUCHATKAN in Thai 14 Feb 96 p 6

[Report by Indochina Center — Italicized passages in English]

[FBIS Translated Text] Phichet Suntharaphiphit, director general of the Technical and Economic Cooperation Department, told PHUCHATKAN that Thailand has set aside 350 million baht as financial aid to foreign countries in the 1996 fiscal year. From this amount, 280 million baht will be given to the Indochinese countries — 120 million baht to Laos; 58 million baht to Vietnam; 55 million baht to Cambodia; and 50 million to Burma [figures as published].

Moreover, Thailand will launch the so-called three-year cooperation programs or *country programme* with Laos and Burma from 1997 to 1999. Vietnam is the first country to receive this kind of aid from Thailand.

Phichet disclosed that the 120 million baht for Laos will be used to provide scholarships for 335 graduate and post-graduate students to study agriculture, public health, and education. It will also be used to finance development projects left unfinished from the previous year, such as the construction of Phonhong Hospital and the renovation of Mahosot Hospital in Vientiane.

Moreover, the money will be used to build the English Study Center requested by the Lao Government to train Lao officials in English-language proficiency and to prepare the country for ASEAN membership in the future. The Technical and Economic Cooperation Department and Chulalongkon University have agreed to provide instructors for the center which will be completed in 1997.

The director general said the decision to launch the *country programme* with Laos and Burma was made during the meeting of the Technical and Economic Cooperation Department, on behalf of the Thai Government, and officials from Laos, Cambodia, Vietnam, and Burma late last year. The meeting agreed that the program will ensure the continuity and long-term applicability of the development projects in recipient countries.

The three-year aid program will emphasize agriculture, public health, and education development. Recipient countries are required to draw up respective development projects and the estimated expense they intend to request from Thailand. Among Indochinese countries, Laos will receive the lion's share of Thailand's financial aid.

Phichet said: "We just agreed to launch the three-year cooperation program with Laos and Burma at our recent meeting. Laos will get 360 million baht or 120 million baht annually, while Burma will receive 150 million baht or 50 million baht annually. The money for this program will be considered in October together with the national budget for the 1997 fiscal year."

Thailand has chosen Vietnam because of its readiness to be the first to benefit from the financial aid under the project. Under the contract signed in 1994, Vietnam will receive 150 million baht or 50 million baht annually from 1996 to 1998.

The director general revealed that Laos and Vietnam are the only two countries to have explicitly requested other forms of aid from Thailand. Laos wants to learn from Thailand's legal system and regulations including those on customs, immigration, and import and export tax collection laws to facilitate its contact with foreign countries and readjust its legal system to conform with those of ASEAN member countries. As a matter of fact, Laos can also seek legal advice from the *Mekong Law Center*.

The Mekong Law Center was established in late 1994 through the collaboration of the Technical and Economic Cooperation Department, Justice Ministry, and the Asia Foundation, the U.S. organization in Thailand. The aim of the center is to realign the legal systems of the Mekong riparian states namely Laos, Cambodia, Vietnam, Burma, and Thailand since the socialist laws still enforced in some countries are incompatible with the legal systems of the majority of ASEAN member countries. The center sponsors legal training and observation tours in Thailand for officials from those countries.

Thai Cabinet Endorses FY 1997 Expenditure Budget

BK1402041196 Bangkok BANGKOK POST in English 14 Feb 96 p 16

[Unattributed report]

[FBIS Transcribed Text] The country's 979-billion baht expenditure budget for fiscal 1997 sailed through the Cabinet endorsement process yesterday.

The budget, which emphasises investment expenditures, is 135.8 billion baht or 16.1 percent higher than in fiscal 1996 and makes up 18.5 percent of GDP.

The 1997 expenditure plan was formulated under the assessment that Thailand's economy will grow by 8 percent, inflation will be 4.8 percent and the current account deficit will stand at 6 percent.

Some 382.4 billion baht has been set aside for investment expenditures, up 55,111.4 million baht or 16.8 percent from 1996.

Major expenditures will be used to finance basic infrastructure projects, various government agency projects and to pay for land expropriations.

Regular expenditures have been set at 572,103.1 million baht, up 18.6 percent from the last budget. Major spendings will go to government salaries and to improving education, public health services and national defence. A significant amount will be used to repay interest on debts.

The Budget Bureau said the Government had earlier targeted gross revenues of 843.2 billion baht for fiscal 1996, but had revised that forecast to 866.9 billion baht, an increase of 2.8 percent.

For fiscal 1997, the Government has forecast total revenues of 1,047,700 million baht. But after deducting tax rebates, other taxes and export tax refunds, gross revenue will reach about 979 billion baht.

Thailand: KNU Chief Interviewed on Talks With SLORC

BK1202104696 Bangkok PHUCHATKAN in Thai 8 Feb 96 p 13

[Interview with General Bo Mya, leader of the Karen National Union, by an unidentified correspondent — date and place not given]

[FBIS Translated Text] [Correspondent] When will the KNU [Karen National Union] and SLORC [State Law and Order Restoration Council] hold talks?

[Bo Mya] This depends on SLORC.

[Correspondent] Has a delegation been appointed for the cease- fire negotiations?

[Bo Mya] Yes, but I cannot give any details at this moment.

[Correspondent] Where will the negotiations take place?

[Bo Mya] SLORC will decide whether the dialogue should be held in Rangoon or Moulmein.

[Correspondent] What are the conditions set by the KNU for the negotiations?

[Bo Mya] We want to discuss political issues. We want the SLORC to allow all ethnic groups to have their own governments in the form of federal states and to let us manage our own natural resources. We have the legitimate rights to do so.

Unfortunately, SLORC disagrees with the idea and intends to keep all states under military dictatorship. This is why it rejected our request for talks on this matter and insisted that negotiations concentrate only on the cease-fire, like those with the other ethnic groups.

[Correspondent] What will be the major topics of the negotiations?

[Bo Mya] Politics is the major problem. We want to solve this problem. The struggle will continue as long as the political problem remains unsettled.

[Correspondent] What is your opinion on the cease-fire agreement signed by Khun Sa and MTA [Mong Tai Army]?

[Bo Mya] Khun Sa has now turned to SLORC. They both detest democracy and have been involved in the drug business. This is the impression I have of them.

[Correspondent] The Kachin and MTA signed the truce agreements because of the closure of the Chinese and Thai borders respectively. Does KNU have any similar problem?

[Bo Mya] It depends on Thailand's policy and how the country handles things.

[Correspondent] How has the KNU been affected by the border closure and timber export ban ordered by SLORC?

[Bo Mya] We do not have any problem. We have been fighting for so long that we are now self-sufficient. We can stand on our own feet.

[Correspondent] Does KNU have any means to prevent the Buddhist Karen or the DKBA [Democratic Karen Buddhist Army] from abducting and harassing KNU people in refugee camps?

[Bo Mya] First, you have to know that the Buddhist Karen force was established by SLORC. It is SLORC that dictates their activities.

[Correspondent] Will there be any negotiations with the Buddhist Karen in the future?

[Bo Mya] There will not be any dialogue with DKBA. We do not want to talk to them. We regard them as traitors unless they repent and defect to our side. The Buddhist Karen will be completely destroyed in the future. We will attack and get rid of them.

With support from SLORC and Thailand, DKBA soldiers have captured our men. Thai police and civilians helped them and drove them around. A village head at Mae Tawo has been acting as their liaison officer and informant. The Thai police refused to let us register our complaints officially.

Earlier, DKBA soldiers entered the Bonno refugee camp without being stopped by Thai authorities. They killed three people, seriously wounded several others, and burned down the village. If Thai authorities had been really strict, the DKBA men could never have infiltrated that far.

[Correspondent] Isn't KNU tired of the fighting and killings which have been dragged on for 40 to 50 years now?

[Bo Mya] We will fight until we get our freedom. SLORC is now economically secure and enjoys the support of foreign countries. Foreign investors do not care whether the people have democracy or not.

[Correspondent] Is there any indication of the Burmese dry- season offensive against KNU strongholds?

[Bo Mya] They will probably come.

[Correspondent] SLORC has already sent reinforcements to the border areas.

[Bo Mya] Formerly they deployed 100,000 men. Now the number is 400,000. The Thai military is probably aware of the increase.

[Correspondent] Does the KNU have any contact with Aung San Suu Kyi?

[Bo Mya] We lost our contact long time ago.

[Correspondent] Will the Burmese Government side raise the border area development scheme for discussion during the cease-fire talks?

[Bo Mya] SLORC does not really want to develop the country.

[Correspondent] SLORC declared that it will develop Ho Mong, the MTA command headquarters, and turn it into a tourist attraction with the Visit Burma Year campaign.

[Bo Mya] Earlier, SLORC referred to Khun Sa as a drug trafficker. Now Burmese television calls him "sir". As a matter of fact, SLORC does not want to suppress narcotics or Khun Sa because it can earn a lot of money from the drug business.

[Correspondent] Do you agree with the prediction that narcotics production in Burma will increase two or three times after Khun Sa's surrender to Rangoon?

[Bo Mya] Khun Sa is now free to do anything in Burma. The world has to know which side is doing the right and legitimate things and which side is doing wrong and vicious things.

[Correspondent] Can you tell me about the past dialogue with SLORC?

[Bo Mya] We are merely making preparations for negotiations.

[Correspondent] How far have you progressed?

[Bo Mya] No progress has been made. They still call us rebels. We have appointed a 10-man delegation for talks preferably in Rangoon. However, SLORC wants Moulmein to be the venue of the negotiations.

[Correspondent] Do you think that the KNU should participate in the development of the subregional economy because much of the areas under KNU control are rich in natural resources?

[Bo Mya] SLORC has given its cooperation. We have no objection. If we have peace, we will take part in the program.

[Correspondent] How is the revenue from mining under the KNU mining ministry?

[Bo Mya] We do not earn much from the industry because ore prices have declined badly.

[Correspondent] What about the logging business after the Burmese government declared the closure of the border in this part of the country?

[Bo Mya] We do not have much timber left. So many Thai logging businessmen have come to our areas in the past few years.

[Correspondent] Do you mean that KNU is facing economic problems?

[Bo Mya] We have other sources of income which I do not want to elaborate here. We still have plenty of natural resources which we can rely on.

[Correspondent] What is the major issue KNU intends to work on?

[Bo Mya] KNU will hold negotiations with SLORC and work out ways to attain permanent peace, not only a cease-fire.

For us, a cease-fire is only the first step. However, SLORC only wants a truce. KNU sent a delegation to hold talks with SLORC in Moulmein on 13 December last year. We brought up other political issues for discussion but SLORC disagreed. SLORC wants nothing more than a cease-fire.

If KNU signs a cease-fire agreement, SLORC will boast that peace has been restored in the country and will use this for in its propaganda campaign. It is very dangerous because nothing is certain. The problems still remain unsettled.

It is now the right time for Aung San Suu Kyi, SLORC, and KNU to join hands in creating a peace that will last forever in Burma.

Vietnam

SRV: Radio Listener Assails VOA Commentary on Cultural Drive

BK1502063296 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 14 Feb 96

[FBIS Translated Text] The editorial section of the Voice of Vietnam Network radio recently received a letter from Mr. Pham Van Nam of Binh Thanh Precinct in Ho Chi Minh City. The letter was faxed to us by the VVN office in Ho Chi Minh City. In the letter, Mr. Pham Van Nam introduces himself as a former member of the armed forces and presently a partner in a private business in a joint venture with foreigners. Mr. Nam raises several questions and requests answers from the VVN. Considering that there are some noteworthy points in the opinions raised by Mr. Pham Van Nam, we would like to introduce the following excerpts of the letter to our listeners.

Dear Radio Staff: Early this week, while randomly tuning my little radio that I always carry around with me, I happened to hear a commentary on the Voice of America, and the comments of the U.S. Government's official radio network astonished me. At a time when our people — myself included — heartily welcome the campaign launched by the government to eradicate harmful cultural products, clean up the social environment, and protect youth and children — my children, nieces, and nephews included — from this poison, the VOA has criticized and even smeared our work. I do not see the need to repeat what the VOA said word for word, though I remember it very well: They have ordered the burning of dictionaries, textbooks in foreign languages, and works of literature having nothing to do with ideological conflict — books that may contribute to the enrichment of the national cultural heritage. Who does the VOA mean by they? As a citizen with some knowledge of current affairs, I firmly believe that during the present renovation period in Vietnam, there is nobody who would ever do such things. Is this distortion? The VOA also criticized our eradication of harmful culture by saying that the authorities should not have wasted energy that could be used in many other useful jobs, and so forth.

Many foreigners — VOA commentators included — have on many occasions proclaimed that the Vietnamese authorities have not controlled the spread of prostitution and obscene activities in the streets of Saigon and other large cities. Now, when we start to suppress these activities, they say we should not do so. What do they want? Is the protection of national culture not a worthy task?

Dear Radio Staff, the VOA also said many other unreasonable things. As an average citizen, I do not possess the broad views and knowledge that you do, and I would like you to enlighten me with an explanation. At a time when Vietnam and the United States have normalized relations, if we talk about a fair deal [tinhs soor] — forgive me for using the popular language of common citizens — Vietnam still has many things to ask of the U.S. side. As I see it, our press, radio, and television networks have restrained themselves and have never criticized the U.S. Government directly. Why would an official radio network of the U.S. Government speak in such an irresponsible way about normal events in Vietnam? What do they have in mind? Is it not true that within U.S. political circles there are still forces that want to cause instability in Vietnam and obstruct the development of Vietnam-U.S. relations?

Dear Mr. Pham Van Nam, thank you for sharing your views with the VVN's current affairs editorial staff. You seek an answer from us, but in your letter you have answered yourself very well by revealing the logical and reasonable truth. We do not want to add anything, and ask your permission to broadcast your views on the airwaves so we can share them with other listeners.

SRV: Nguyen Khanh's 3-12 Feb Visit to U.S. Reported

BK1402143396 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 14 Feb 96

[FBIS Translated Text] At the invitation of the American Academicians Council, the Ford Foundation, and

Harvard University, Deputy Prime Minister Nguyen Khanh visited the United States from 3- 12 February.

The purpose of the visit was to exchange views and to examine the organization and activities of scientific research, education, and training, and various social issues.

During his stay in Washington, the deputy prime minister held a working session with Acting U.S. Secretary of State Strobe Talbott; Secretary of Health and Human Services Donna Shalala; Senator Bennett Johnston, adviser to the U.S. President on science and technology; the president of the National Academy of Science, director of the U.S. National Scientific Foundation, and the leaders of a number of major U.S. educational organizations. Representatives of the U.S.-Vietnam Trading Council, and a number of major U.S. companies which have investment projects in Vietnam also called on Deputy Prime Minister Nguyen Khanh.

Mr. Le Van Bang, charge d'affairs of the Vietnamese Embassy in Washington, participated in the activities of the deputy prime minister.

In New York, Seattle, and Boston, the deputy prime minister held a working session with the director-general of UNICEF, the deputy governor, and the chiefs of various agencies of Washington State. He visited Washington, Harvard, and Massachusetts universities, a number of scientific research centers, the Boeing aviation manufacturing plant, and animal husbandry and food processing enterprises. He also met a number of U.S. nongovernmental organizations, and a number of overseas Vietnamese nationals in the United States.

Representatives of various U.S. agencies, universities, and organizations introduced their organizations and activities to the deputy prime minister. They expressed their sentiments toward the Vietnamese people and wanted to expand relations with Vietnam in areas of economic development, scientific research, personnel training, and resolving social issues.

While in the United States, the deputy prime minister visited and conducted cordial talks with our cadres working at the Vietnamese Embassy in Washington and the Vietnamese permanent representation at the United Nations in New York.

SRV: Hanoi Hails Results of Nguyen Khanh's Visit to USA

BK1402134996 Hanoi Voice of Vietnam in English 1000 GMT 14 Feb 96

[Station commentary]

[FBIS Transcribed Text] Vietnamese Deputy Prime Minister Nguyen Khanh has concluded his visit to the United States. Here is our comment:

Deputy Prime Minister Nguyen Khanh visited the United States from 3-12 February at the invitation of the (Lewes) Society of the United States, the Ford Foundation, and Harvard University. He was accompanied by Mr. Phan Quang Trung, deputy chief of the government office; Prof. Dang Vu Minh, director of the Center for Natural Science and Technology; Prof. Pham Thi Tran Chau of Hanoi National University; and several Vietnamese diplomats.

The visit aimed to exchange views and examine the organization and activities of the scientific research, education, and the training of the social workers.

During his stay in Washington, Deputy Prime Minister Nguyen Khanh held a working session with the acting U.S. state secretary, the health secretary, and an assistant to the U.S. President on science and technology and chairman of the American Scientific Academy. A representative of the U.S.-Vietnam Trading Council, and major American companies which have investment projects in Vietnam also called on Mr. Nguyen Khanh.

In New York, Seattle, and Boston, Mr. Nguyen Khanh held a working session with the general director of UNICEF and the governor and officials of the State of Washington, Harvard, and Massachusetts. He visited several scientific centers of Boeing aviation manufacturing plant, animal husbandry, and four production enterprises, and held a meeting with nongovernmental organizations and overseas Vietnamese in the United States.

Representatives of universities and offices in the United States introduced their activities and expressed their sentiments toward Vietnamese people. They wanted to expand their relations with Vietnam in economic development, scientific research, and solving social affairs.

The visit to the United States by Deputy Prime Minister Nguyen Khanh adds to the growing relationship. It follows the visit to the United States to mark the 50th founding anniversary of the United Nations by Vietnamese President Le Duc Anh, the working visit by the Vietnamese Foreign Minister Nguyen Manh Cam and the visit to Vietnam by U.S. State Secretary Warren

Christopher after the normalization of relations between the two countries.

Friendship cooperation between the two countries has not only developed in political aspects but also in economic, commercial, cultural, scientific, and educational fields. So far, the two countries have not yet signed an official trading agreement. But two-way trade turnover in the first nine months of last year was up to $900 million. At present, the United States ranked the sixth largest investors in Vietnam with 50 projects and a total of $110 million.

SRV: Sino-Vietnam Railway Link Reopened After 20-Year Break

BK1502050796 Hanoi Voice of Vietnam in English 1000 GMT 14 Feb 96

[FBIS Transcribed Text] The rail link between Vietnam and China reopened on Tuesday after a break of almost 20 years. Vietnam's regular trains carried officials to the opening ceremonies at the (Petong) railway station in China and the Dong Dang station in Vietnam.

Doan Van Di, general director of the Vietnam Railway Department, said that the opening was the victory in relations between the two countries and it would benefit both peoples of the two countries at the border and promote economic growth in the region.

The volume of the two-way exchange of goods between Vietnam and China has reached $900 million, about 40 times more than that of 1991. The figure is expected to be higher after the reopening of the Sino-Vietnamese rail link.

SRV: Rail Links Reestablished With PRC After 18 Years

BK1402162796 Hanoi VNA in English 1613 GMT 14 Feb 96

[FBIS Transcribed Text] Hanoi VNA Feb. 14 — The rail link between Vietnam and China reopened this morning after a hiatus of nearly 18 years.

The opening ceremonies, held separately at the Pingxing Railway Station in China and the Dong Dang station in Vietnam, were attended by, on the Vietnamese side, Deputy Minister of Transport and Communications Mr. Bui Van Suong, Deputy Foreign Minister Mr Vu Khoan, and Ambassador to China Mr. Dang Nghiem Hoanh. On the Chinese side were Deputy Minister of Railways Mr. Kuolin, Deputy Foreign Minister Mr. Tang Jiaxuan, and Chinese Ambassador to Vietnam Mr. Li Jia-Zhong.

According to the relevant agreement signed between the two countries, trains will leave twice-weekly from Hanoi to Beijing and back.

On this occasion, Prime Minister Vo Van Kiet sent a message of congratulations to the staff of the railways departments of Vietnam and China. Prime Minister Kiet said in the message that the reopening of the Sino-Vietnamese rail link would help further strengthen the two countries' multi-faced cooperation, boost economic and commercial exchanges and contacts by people of the two countries.

The prime minister said he hoped that the two railways departments would constantly consolidate and push up bilateral cooperation, thus making contributions to the renovation and reform in Vietnam and China as well as to the close friendly ties between the two countries.

SRV: Thai Parliamentary Delegation Concludes Visit

BK1402164396 Hanoi VNA in English 1622 GMT 14 Feb 96

[FBIS Transcribed Text] Hanoi VNA Feb.14 — The Thai national assembly [NA] delegation led by Chairperson Bun-eua Presoetsuwan who is also president of the lower house left Ho Chi Minh City this afternoon, concluding their five-day visit to Vietnam.

While here, the Thai NA delegation held talks with a delegation of the Vietnamese National Assembly led by Chairman Nong Duc Manh, paid tribute to the late President Ho Chi Minh at his mausoleum, and made tours of the Hoa Binh hydro-electric power plant and some social and economic establishments in Hanoi.

On February 10, the Thai NA delegation left Hanoi for Ho Chi Minh City where they were received and feted by president of the Municipal People's Council Pham Chanh Truc. Later, the Thai PMs [parliamentarians] visited the southern province of Dong Nai, where they called at feed factory and the Amata Industrial Zone, a joint venture between Thailand and Dong Nai Province.

SRV: Lao Defence Minister Arrives for Visit

BK1402164296 Hanoi VNA in English 1631 GMT 14 Feb 96

[FBIS Transcribed Text] Hanoi VNA Feb. 14 — Defence Minister of Laos, Sr. Gen. Choummali Sai-ngason arrived here this morning on an official visit to Vietnam at the invitation of his Vietnamese counterpart, General Doan Khue.

After the welcome ceremony, Mr Choummali Saingason and his entourage was received by Vietnamese Defence Minister Gen. Doan Khue, who hailed the Lao military delegation's visit as a manifestation of the two countries' wish to strengthen the special friendship and solidarity between the two armies.

The Lao defence minister said he hoped that the visit this time will be fruitfull, thus contributing to the further promotion of the special friendship between the people and armies of the two countries.

In the afternoon, talks were held between military delegations of Laos and Vietnam, led by Sr. Gen. Choummali Sai-ngason and Gen. Doan Khue respectively. The two sides informed each other of the socio-economic situation and national defence in their respective countries, and exchanged experience in building the people's armed forces. They discussed how to carry out practical activities to further enhance the relations between the two ministries. Both sides also discussed issues of common concern.

A banquet was held in the evening by Gen. Doan Khue in honour of the Lao senior officers.

SRV: Russian Deputy Foreign Minister Visits 13-14 Feb

BK1402161396 Hanoi VNA in English
1553 GMT 14 Feb 96

[FBIS Transcribed Text] Hanoi VNA February 14 — Russian Deputy Foreign Minister A. N. Panov paid a working visit to Vietnam on Feb. 13 and 14 in the framework of regular visits by diplomats of Vietnam and Russia.

The Russian deputy foreign minister held talks with his Vietnamese counterpart, Mr. Nguyen Dy Nien, on the situation in their respective countries, measures to promote the two countries' relations, and international and regional matters of mutual concern. He was received by Foreign Minister Nguyen Manh Cam.

The meetings took place in an atmosphere of friendship and mutual understanding.

SRV: Vietnamese, Kazakh Ministers Discuss Bilateral Ties

BK1502052696 Hanoi Voice of Vietnam in English
1000 GMT 14 Feb 96

[FBIS Transcribed Text] Kazakhstan's Foreign Minister Toqayev Qasymzhomart is on an official visit to Vietnam at the invitation of Vietnamese Foreign Minister Nguyen Manh Cam. They are discussing measures to further promote cooperative relations in economy, science, technology, and trade between the two countries.

SRV: Hanoi Welcomes Spanish Foreign Minister's Coming Visit

BK1402142196 Hanoi Voice of Vietnam in English
1000 GMT 14 Feb 96

[Station commentary]

[FBIS Transcribed Text] The Spanish foreign minister, Mr. Carlos Westendorp, is to visit Vietnam soon. Here is our editor's comment:

It will be the first visit by Spanish foreign minister and a senior official of the Spanish Government since the two countries established diplomatic relations in 1997 [as heard]. Mr. Westendorp will be accompanied by a number of senior Spanish diplomats. He will visit Hanoi, Ho Chi Minh city, and Ha Long city — the last recognized by UNESCO as one of the most famous scenic spot.

The visit by the Spanish foreign minister takes place while relations between ASEAN and European Union in general and between Vietnam and EU [European Union] in particular are undergoing transformation. Relations between Vietnam and Spain are also turning a new page in this context. The EU has adopted a new strategy toward Asia and the Pacific and it is preparing for the coming Asia-Europe summit in Bangkok.

Spain is a EU member country. Spain pays most attention to promoting relations with countries in Asia and the Pacific, including Vietnam. Spain and Vietnam have been exchanging visits at the high level. In July 1994, Spain state minister of commerce visited Vietnam, and October of the same year, Vietnamese Foreign Minister Nguyen Manh Cam visited Spain. Experts of the two countries have discussed measures to promote relations. Last year Spain provided Vietnam with development aid worth $80 million, including $30 million for low-interest grace loans. The two sides have discussed the signing of the three projects of the upgrading of several hospitals in northern Vietnam and also tourism development. It is noticeable that Spain is a country of 30 million population and it attracts more than 50 million tourists per annum. Vietnam has 72 million and currently is attracting 1 million visitors.

Mr. Carlos Westendorp and Vietnamese Foreign Minister Nguyen Manh Cam will exchange views on the signing of several agreements as a foundation for development of relations between Vietnam and Spain. This includes an agreement on investment encouragement and protection.

The coming Vietnam visit by Spanish Foreign Minister Westendorp will further develop relations between the two countries.

SRV: Commercial Counselor Reports on Trade Ties With Australia

BK1402141996 Hanoi VIETNAM INVESTMENT REVIEW in English 29 Jan-4 Feb 96 p 24

[Interview with Pham Ngoc San, SRV's commercial counselor to Australia, by correspondent Ha Thang; place and date not given]

[FBIS Transcribed Text] [Ha Thang] How do you assess the present trade relations between Vietnam and Australia?

[Pham Ngoc San] The economic and trade relations between Vietnam and Australia are based on the Trade Agreement signed in November 1974 in Canberra and re-signed in June 1990 in Hanoi. According to the agreement, both countries give each other Most Favoured Nation status and Australia considers Vietnam as a developing country.

Because of difficulties, bilateral trade is still limited. In 1990, two-way trade reached US$31.4 million. In recent years, thanks to favourable political and economic conditions and coupled with positive diplomatic development, trade relations between the two countries have improved, with two way trade in 1994 reaching US$339.6 million and an estimated US$410 million in 1995.

As the figures show, bilateral trade has increased sharply with 1994 figures 10 times higher than 1990. Australia now ranks as 17th-largest trading partner.

Although, trade with Vietnam is still relatively small, accounting for only 0.4 per cent of total Australian foreign trade, Australia considers Vietnam a near market with a growing consumer population of 74 million people. There is huge potential for further growth.

Many Australian trade delegations have visited Vietnam, with more and more Australian trade representatives deciding to set up their base of operations in Hanoi or Ho Chi Minh City.

Conversely, Vietnamese companies in the trade and banking sectors have visited Australia. As well as trade, both sides have increased cooperation in several areas including telecommunications (Telstra and VNPT [Vietnam Posts and Telecommunications]) and oil production (BHP and PetroVietnam).

[Ha Thang] What expertise can Vietnam bring to trade relations with Australia?

[Pham Ngoc San] Although the results are encouraging they do not reflect the level of potential between the two countries.

Vietnam exports to Australia commodities like crude oil, seafood, agricultural products, handicrafts and garments. In 1994, Australia imported US$157 million-worth of crude oil from Vietnam, including purchases made directly or through a third country. Seafood has been a dominant export from Vietnam to Australia for many years, the peak year reaching US$18 million.

The most difficult aspect of exporting seafood to Australia is transportation in frozen containers. We have not set up a direct shipping line and longer routes are more expensive.

Other agricultural products including coffee, pepper and cashew nuts can find a large market in Australia. In 1994 alone, Vietnam exported to Australia US$20 million-worth of coffee.

We export rattan, bamboo, and ceramics to Australia but because these products are generally poorly finished we meet strong competition.

The styles and colours are often not suitable to Australian taste.

In order to boost exports of these items, we have to research the preferences of the Australian market and make changes to our products to gain market share.

In light industry, production of carpet and garments is gaining popularity. Demand in Australia for woollen carpets is huge and the country imports millions of dollars worth from Iran, China, India and Malaysia.

Australian buyers say their market for garments is big but very competitive. Vietnam can offer cheap labour and good equipment, but lacks quality fabrics and transportation facilities. That's why Australia remains reluctant to cooperate with Vietnam in this field.

SRV: Ho Chi Minh City War Veterans Magazine Debuts

BK1402095596 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 6 Feb 96 pp 1, 5

[Report by H.S.]

[FBIS Translated Text] On the afternoon of 5 February, the City War Veterans Association's Executive Committee organized a meeting at the Eastern Nam Bo Armed Forces Museum to introduce the magazine CUU CHIEN BINH THANH PHO HO CHI MINH [Ho Chi Minh City War Veterans] to the public. Comrades Tran Trong Tan, deputy secretary of the city party committee; Le Thi Van, vice chairwoman of the city people's committee; Tran Van Tra, president of the City War Veterans Association, and many senior military and civilian officials and colleagues were on hand to congratulate the association on the transformation of its news bulletin into a monthly magazine with a large public readership.

Speaking on this occasion, Deputy Secretary Tran Trong Tan wished the magazine a large readership and hoped that it would express the genuine voice of war veterans in the city, make positive contributions to all aspects of political, economic, cultural, and social activities, and uphold the sense of efficiency on the information front to safeguard the socialist regime in our country.

Vu Tuat Viet, editor-in-chief of SAIGON GIAI PHONG, attended the function and conveyed the warm congratulations of the SAIGON GIAI PHONG editorial staff to their colleagues at the magazine.

SRV: Do Muoi Works With Hanoi City Party Organizations

BK1402095796 Hanoi HANOI MOI in Vietnamese 7 Feb 96 p 2

[Report by P.V.]

[FBIS Translated Text] Within a month from late 1995 to early 1996, General Secretary Do Muoi had six direct working sessions with many party organizations under the management of the city party committee (the party organizations of universities and colleges and of Duc Tu Village in Dong Anh District and of Buoi Ward in Tay Ho District), as well as with Gia Lam District, Dong Da Precinct, and the party congress of Teachers College I. The general secretary attached special importance to the implementation of the national industrialization and modernization program by party committees at all levels.

According to the general secretary, industrialization and modernization is a necessity. In the struggle for national independence, the question is raised on who will triumph in the battlefield, whereas in national construction that question is raised in the market. Though our economy operates under the multisectorial market mechanism, it is based on socialist orientations. Therefore, the party must direct the people in implementing industrialization and modernization. The Party Central Committee has incorporated national industrialization and modernization in many resolutions. Party committees from the provincial and city down to ward and village levels must translate the Party Central Committee's policies and resolutions into practical and adequate goals and solutions, so that they make a good impact on the people's livelihood and can be accepted by the general public.

It is our people's aspirations to have learning and job opportunities in their homeland. It is the responsibility of party committees at all levels to respond to those legitimate aspirations. It is the responsibility of each party member to take care of himself/herself while at the same time looking after everyone's well-being. It is the mission of each party organization to help with the improvement of the people's living conditions.

As an immediate objective, each party committee echelon must create jobs for the people and help them live in order, sanitary conditions, happiness, and sense of mutual assistance. To this end, party organizations must be active in rallying and directing the people and must discuss implementation measures with them. Each ward, village, precinct, and district must assess their actual situations, realize their strong points and shortcomings, and base their investment and job development projects on the potential of each production establishment, business organization, sector, occupation, and household. Regardless of the fact that their establishments may be under the management of the central government or of the city administration, ward, village, precinct, and district officials must sit down and discuss ways to implement industrialization and modernization, create jobs, increase income, and turn out more products to benefit the locality or unit where people belong.

General Secretary Do Muoi repeated again that "Socialism is nonexistent without checks and controls," that "industrialization must go hand in hand with cooperativization," and that to make industrialization and modernization a success, scientific knowhow must be linked with a sense of organization.

Apart from providing general guidelines, General Secretary Do Muoi touched on many practical issues and even analyzed the situation of each village and ward and proposed practical and well- defined problem-solving methods.

The aforementioned working sessions and valuable suggestions are proof of the great concern of the general secretary and the Party Central Committee for the city party organization and people. Party committee echelons are seriously studying and applying General Secretary Do Muoi's guidelines on formulating, amending, or adjusting the contents and orientations of the tasks for the period from now till the year 2000.

SRV: Vo Van Kiet Replies to Catholic Church Petitions

BK1402155796 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 8 Feb 96 pp 1, 5

[Unattributed article: "Government Religious Affairs Committee's Correspondence on Suggestions from the Vietnam Episcopal Council."]

[FBIS Translated Text] The Government Religious Affairs Committee issued on 2 February 1996 Correspondence No. 32-CV/TGCP sent to Cardinal Pham Dinh

Tung, Archbishop of Hanoi and chairman of the Vietnam Episcopal Council [VEC] answering petitions made to the prime minister at a recent VEC conference. The correspondence reads:

"To: Elder Cardinal Pham Dinh Tung, Hanoi Archbishop and Chairman of VEC,

Regarding the VEC petitions made to the prime minister at a recent conference, the prime minister has already directly answered the elder chairman and other VEC members on some of them. The Government Religious Affairs Committee, as authorized by the prime minister, has the honor of informing the prime minister's views on the VEC suggestions as detailed in the letter dated 29 September 1995, as follows:

1. Regarding the VEC request to publish a magazine: The prime minister agrees to give permission to the VEC to publish a quarterly magazine whose contents relate to religion, religious teachings, and moral issues. The publication of the magazine should follow state laws on publication, printing, and distribution.

2. Regarding regular and irregular religious activities: There have actually been regular and as well as irregular religious activities. For instance: "Celebration of the Year of the Saints", "Golden Anniversary", "Silver Anniversary", "Centennial Memorial Ceremony", and many others attracted large numbers of priests and devotees from various localities. These are not categorized as regular religious activities because not all localities conduct them on a regular basis. The regulation requires that permission be obtained for these irregular activities from the people's committee of the locality where they are to be held for the purpose of maintaining public security and order and preventing bad elements from taking advantage of it for illegal activity.

3. Regarding suggestions from the Vatican: Many issues have been discussed and solved in meetings between the delegations of Vietnam and the Holy See, such as the appointment of various bishops, and the transfer of others. At present, there are only a few appointments where the two sides have not reached an agreement. The government has offered various proposals in order to reach an agreement, but the Holy See has not responded yet. The prime minister wishes the bishops to advise the Holy See to accept Vietnam's suggestions and give priority to the appointment of dignitaries for the vacant dioceses. In particular:

— The prime minister has made himself clear that there are many worthy dignitaries who can be entrusted to take care of the Ho Chi Minh City Diocese, and that Elder Bishop Huynh Van Nghi cannot be given any post at all in this diocese. Hence it is necessary that another candidate who is acceptable to both sides be selected.

The newly selected bishops need to be suitable for the concerned localities. Therefore, the Holy See should consider and select new candidates for the two dioceses of Phu Cuong and Hung Hoa so that discussions with the Vietnamese Government can be arranged and an agreement reached.

4. For the dioceses where the principal archbishops are either ill, old, or in need of deputy and assistant bishops: The prime minister recommends that the bishops concerned submit proper reports so that the government can give its views when the Holy See raises the matter.

5. Regarding students in seminaries: The local administration can only make citizenship identification checks during the enrollment. During training, the agency, the local administration, and the seminary management board, when necessary, are all entitled to decide on the suitability of each student for continued or termination of training. Upon graduation, the bishop will make a list of graduate students who have the proper citizenship and whom the church wants ordained as priests. The list should then be sent to the people's committee of the province or city where graduate has his regular address. The people's committee concerned will consider the ordination approval on the basis of the certification of admittance and graduation from the seminary.

6. This correspondence of the prime minister is circulated to local administrations at all levels for consistent enforcement, and the prime minister agrees and recommends that the bishops have and will always attempt to build ever-better relations with administrations at all levels. Sincerely.

SRV: Do Muoi Hails Contribution of Vietnam Fatherland Front

BK1102150696 Hanoi Voice of Vietnam in English 1000 GMT 9 Feb 96

[FBIS Transcribed Text] The program of actions for the mass organizations of the Vietnam Fatherland Front Central Committee this year is to continue pursuing the policy of national solidarity and national construction and defense.

Addressing the closing ceremony of the third conference of the Fatherland Front Central Committee, Party Leader Do Muoi said that the Vietnamese revolution has recorded glorious achievements due to the correct leadership of the party and the great contribution of the entire people, which the Vietnam Fatherland Front is their representative.

SRV: Minister Discusses Drive To Restore Cultural 'Discipline'

BK1002094296 Hanoi VNA in English
1504 GMT 9 Feb 96

[FBIS Transcribed Text] Hanoi VNA Feb. 9 — The Ministry of Culture and Information today called a press conference to clarify the current drive to restore public order and disciplines in cultural activities and services, which has been effective since early this month.

Over the past few years there have emerged a lot of depraved and pornographic cultural works and products contrary to the law and detrimental to traditional aesthetic values, customs and practices of the Vietnamese people, Minister Tran Hoan told mass media workers, adding that in such a situation, the government had issued a decree with the aim of promoting strict control of, and restoring public order and discipline in relations to, cultural activities and services all over the country.

During the first days of the drive, in Hanoi alone, more than 2,100 inspections and investigations were made in different cultural service business establishments. Over 410 establishments have been banned from operating, including 150 video tape shops, 14 cassette and disc shops, 252 karaoke bars and a number of dancing halls, Tran Hoan stressed. He further said that about 15,000 video tapes, 3.4 tons of books, over 360 pictures and paintings have been confiscated for their harmful and pornographic content. In addition, 15 advertisement makers have been also banned while over 20 advertisement and sign boards have been forced to be removed and about 10,000 other boards found breaching the government's regulations in this regard.

Tran Hoan added that the Ministry of Culture and Information will produce and import more celluloid and video films and discs as well as other cultural products of artistic quality and good contents to meet the demand by the people. This will be done together with the stricter control of film and music cassette distributions as well as all cultural service business sites. More and more recreation and amusement places will be set up in various parts of the country.

SRV: Defense Minister Tours Two Southern Provinces

BK1002094396 Hanoi VNA in English
1452 GMT 9 Feb 96

[FBIS Transcribed Text] Hanoi VNA Feb. 9 — Minister of National Defence Gen. Doan Khue has visited Con Dao District of Ba Ria-Vung Tau Province and Phu Quy District of Binh Thuan Province on the occasion of the coming lunar new year.

In Con Dao District, the minister paid tributes to fallen combatants at the Hang Duong Cemetery, visited other places of historical interest, and inspected the training work of the district's armed forces.

In recent years, especially in 1995, the district saw remarkable steps of all-sided development. Its gross domestic products (GDP) increased to over USD [U.S. dollars] 1.9 million in 1995 from USD 1.26 million in 1992 with annual growth rate of 14.9 percent. The local agriculture and handicraft sectors also developed, creating initial changes in socio-economic life.

In Phu Quy District, which covers 32 square kilometres and is home to 18,700 people, the minister was informed of the local economic, cultural and social situation as well as its defence and security work .

Over the past five years with capital investment mobilised from local inhabitants, the district has over 200 more fishing boats, bringing the total number of its fishing fleet to 410. As a result, the district's fishing capacity increased 42 percent compared to 1991.

The district also encouraged off-shore fishing including the Truong Sa Archipelago [Spratly Islands] area. There are over 100 boats operating in the high sea annually. In 1995, the total output of this fleet reached 5,000 tonnes.

Speaking to the leading officials, people and armed forces in the two districts, General Doan Khue pointed to new opportunities and advantages as well as challenges faced by the country in its development process. He urged the local people to spare no effort to overcome difficulties and step up the current national renovation process.

Australia

Australian Report: Burma Refused Dec Entry to Gareth Evans

BK1402122896 Melbourne Radio Australia in English 0630 GMT 14 Feb 96

[From the "International Report" program]

[FBIS Transcribed Text] It has been revealed that late last year Australia's foreign minister, Gareth Evans, was refused entry to Burma as part of a crackdown on critical foreign dignitaries. Gareth Evans is one of several high profile foreigners who were rejected after the U.S. ambassador to the United Nations savaged the Burmese military regime for failing to open talks with opposition leader Aung San Suu Kyi. As a result, Burma's State Law and Order Restoration Council, the SLORC, has been barring access to key decision makers in an apparent bid to deny Suu Kyi an international stage. Evan Williams reports that as the Australian Government and opposition argue over regional credibility during the current election campaign, this rejection reveals complications in Canberra's dealing with some of Asia's hardline regimes.

[Begin recording] [Williams] Gareth Evans would have been the first Western foreign minister to visit Burma and see Aung San Suu Kyi since the army's bloody crack down in 1988. Coming just before the election campaign in Australia, it would have dramatically enhanced the country's image as a Western nation in Asia able to balance delicate stand offs to promote change for the better. But it was not to be. Officials in December said logistically it was not convenient for Gareth Evans to visit Burma. His schedule was also tight but in diplomatic speak that's a rejection even before the official application for a visa was made and that was clearly the message. The main reason he was refused even at that first stage is because Senator Evans would obviously have wanted to see Aung San Suu Kyi and Rangoon did not want to risk him making comments like this.

[Madeline Albright] I urged the SLORC to choose the path of full democracy rather than continued repression and dictatorial control. I said that the democratic path may seem harder and more risky but a bright future for Burma cannot be shaped without the participation of the Burmese people. I urged repeatedly that dialogue be initiated with Aung San Suu Kyi.

[Williams] U.S. Ambassador to the United Nations Madeline Albright's sharp rebuke broke the regime's patience with meddling foreigners.

[Albright] Khin Nyunt [SLORC secretary-1] is fast to believe that the SLORC had broad public support and claimed that the Burmese people smile a lot. I said that it has been my experience through a lifetime of studying repressive societies that dictators often believe themselves into believing they have popular support, that the people often smile not because they are happy but because they are afraid.

[Williams] Burma's SLORC regime was furious. Powerful Intelligence Chief Lieutenant General Khin Nyunt accused Ambassador Albright of threatening the regime in a high-handed and intimidating way. We will not take this lying down he said and they haven't. Germany's minister in charge of foreign aid and development has just canceled a visit after his planned meeting with Suu Kyi was called off by Burma's military government. Before 1988, Germany was Burma's second biggest foreign aid donor.

Others refused include two prominent U.S. politicians because it was not convenient, at least one group of American academics because they apply to see Suu Kyi, and a group of parliamentarians investigating human rights. The Australian opposition's Tim Fischer did get a visa but had trouble securing highest-level access apparently for seeing Suu Kyi. In December, just as approaches for entry to Burma were made, Gareth Evans told reporters in Bangkok Southeast Asia should not extend too rapidly their embrace for the regime until there was some real improvement. ASEAN should use its card to encourage the SLORC to go down the path of dialogue and reconciliation he said, that meant opening talks with Suu Kyi. But the message is you may come and see the government alone or you don't come at all and the regime is ready to forego any benefit to enforce that point. [end recording]

Australia: Keating Outlines Labor Party Policy in Reelection Campaign

BK1402125496 Melbourne Radio Australia in English 0630 GMT 14 Feb 96

[From the "International Report" program]

[FBIS Transcribed Text] The Australian labor party has officially launched its campaign for the national elections on 2 March. The dominant theme of the prime minister, Paul Keating's, speech at the launch was like the campaign itself, about leadership. Mr. Keating told an enthusiastic audience of party dignitaries and supporters in Melbourne that over the past three years the Labor Government had provided leadership both at home and overseas. Our National Affairs Correspondent Stewart Heather reports Mr. Keating's speech was strong on his interest in Australia's role in the Asia-Pacific.

[Begin recording] [Heather] Paul Keating is fond of talking about the big picture or what former American President George Bush called the lesion thing. But whereas George Bush suffered from a lack of it, Paul Keating may suffer politically from having too much. In his major presentation of this election campaign in which the Labor Party is hoping to be returned to government for a historic sixth successive time since 1983, Mr. Keating dealt with the necessities of such a speech recapping why Australians had last elected him and the Labor Party and according to Mr. Keating, how the government had delivered on its promises.

[Keating] We face the people of Australia confident that we have earned their trust once more. I think we can say these things, that we strenuously pursued the goals we set and that sometimes we exceeded our own expectations. That we have been willing to lead, both at home and abroad, and that we have led with success.

[Heather] And then there was the big picture, the labor party campaign flunk in its leadership and with this word emblazoned boldly behind him in large letters, Mr. Keating frequently returned to that theme in his speech. He argued that Labor has leadership and vision but the coalition opposition under John Howard does not.

[Keating] Never have I believed that there had been an opposition so weak on policy and direction. They ask us to believe that he has a vision for Australia but after 20 years in politics I think a fair question can be put. Can any Australian say what it is. The fact is, while Labor has a vision for Australia in the 21st century, John Howard's vision extends no further than the 2nd of March 1996. [Applause] And while we have been repositioning Australia for the future, John Howard has been flat out repositioning himself to escape his past.

[Heather] Mr. Keating was more like the skating parliamentary performer the Canberra press gallery know so well when he digressed to mock the idea of the opposition front bench as potential ministers. But the most substantial passion of a largely impassionate speech was reserved for Australia's future in the Asia- Pacific.

[Keating] What is happening now in East Asia is without precedent in world history. East Asia has 2.5 billion people. A consistently high rise in economic growth coupled with high education is producing new and rising levels of wealth and opportunities that knows no parallel in history and Australia is right in the middle of it. But we will only succeed in the region around us if we truly want to be there. It is the greatest challenge we have ever faced as a nation. By the year 2000 we should be able to say that this predominantly British and European country has learned to live securely in peace and mutual prosperity among our Asian and Pacific neighbors. The truth is, we have to grasp the opportunity now or fail. The pace and momentum must not be lost.

[Heather] The prime minister also spoke of leadership at home and released a plan for realizing a national referendum on the issue of an Australian Republic. He proposes a plebiscite on the question of should an Australian be head of state, leading to an all-party parliamentary group to prepare a referendum on a republic. Mr. Keating also spoke of another area he considers Labor has leadership accelerating young Australians more into the information age. With the $300 million commitment to more computers in schools and updating teachers to the information revolution. In the prime minister's most important speech of this election campaign and the one which more than any other marks his future, Paul Keating mixed his big picture with those necessary details of jobs created, workers and social welfare protected. But in less than three weeks the voters will let him know if they too share Mr. Keating's vision. This after all is only small things, the close-to-home things which will rule the day. [end recording]

Australia: Editorial Questions Prime Minister's Commitment to Reform

BK1502052496 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 15 Feb 96

[Editorial: "Keating's Vision Too Cautious" — received via Internet]

[FBIS Transcribed Text] Vision, dynamism, change — this was the troika of policy concepts offered to the Australian electorate by the Prime Minister, Mr Paul Keating, yesterday. His message was simple. Labor, he argued, stands for all three; the Opposition, in contrast, stands for none. As a result a vote for Labor on March 2 would be a vote for the future, while a vote for its opponents would be giant stride back into the past.

It was a powerful message, and it unquestionably contains an element of truth. In particular, the failure of the Leader of the Opposition, Mr John Howard, to put forward a creative program of reform has left him sounding cautious and unimaginative. While his previous interest in radical change, especially in the area of the economy and fiscal policy, may still be burning strongly, he has done a good job of disguising it. In the absence of evidence to the contrary, all the electorate can do is to accept what he has been saying at face value.

Mr Keating, while yet to inject real vigour into his performances, has been talking quite differently, no more so than during yesterday's speech officially launching

Labor's campaign. His key message was the way he will deliver a dynamic future, whereas Mr Howard offers a do-nothing brand of conservatism.

Yet, as the old saying goes, talk is cheap. It's action that counts. And on this score Mr Keating's vision is much less dynamic than he claims, particularly in one of the most important areas — the economy. Here the much more appropriate description is not "dynamism and change" but rather "caution and stagnation".

Stripped of its more extravagant rhetoric, the economic guts of Mr Keating's speech yesterday contained little in the way of real commitment to further reform. This absence was particularly noteable in the area of industrial relations, where his "vision" was of a Labor Party digging in its heels against the forces its own earlier economic reforms unleashed.

Those were policy breakthroughs which really were dynamic and visionary. Yet they are now firmly in the past. Mr Keating, during his term as Prime Minister, has done little to carry these sort of initiatives forward. The push for wide-ranging micro-economic reform has stalled, hard but important privatisation decisions have been shelved, the dead hand of excessive labour-market regulation remains, and the problem of Australia's inadequate savings effort continues unabated.

Australia's economy is now open to the world. This means the reform process must continue. Those who think that we can hold onto the remnants of the economic past — especially our antiquated industrial relations system — are sadly deluded.

If Mr Keating really wants to inspire us with a vision of the future he needs to refocus his reform agenda back onto the economy instead of giving, as he did yesterday, a higher billing to issues such as the republic.

This is not to say the republic isn't important. On the contrary, it is unquestionably worthy of serious consideration. What's more, the process of establishing an Australian republic is likely to pose some significant constitutional challenges, a point highlighted by Justice Santow today in The Australian Financial Review.

Yet it is, quite frankly, a second-level issue. Of much greater importance is the need both to face up to Australia's fiscal problems and push on with economic reform. That Mr Keating remains unwilling to do either is not only demonstrated by yesterday's speech but by the financial handouts he has made since the campaign began.

The latest of these was yesterday's promise to introduce a new Carers Allowance, incorporating a 27 per cent increase on the Domiciliary Nursing Care Benefit it will replace. This is not unreasonable in itself, especially as the efforts of carers mean there is less need for government expenditure. The main drawback of the initiative is the way the new allowance will be paid irrespective of income. This simply doesn't make sense. Instead the allowance, like most benefits, should be means-tested.

Failing to do so won't have a major impact on the Federal Budget. What it will do, however, is send quite the wrong message, a message which suggests that the State is there to support everyone, irrespective of their ability to pay their own way.

If Mr Keating really was the dynamic visionary he claims to be he would eschew this sort of unedifying pork-barreling and instead tell it as it is. This is the fact that, while Australia has come a long way, it has a lot further to go if it wants to protect its enviable living standards. Breaking with the outmoded past, including our rigid industrial relations system and mendicant social welfare mentality, are essential elements of this process of change.

Australia: Editorial Views Prime Minister Keating's Campaign Launch

BK1502053796 Sydney THE SYDNEY MORNING HERALD in English 15 Feb 96

[Editorial: "Keating on His Record" — received via Internet]

[FBIS Transcribed Text] In yet another reflection of the broad policy convergence between the main parties, Mr Keating has fallen back on such a double-edged issue as leadership and such peripheral issues as the republic to give a distinctive edge to the launching of Labor's election policy yesterday. Mr Keating has naturally emphasised his Government's record since the last election. But here, too, he has gone to the brink, attacking his opponent's integrity and claims to succeed him as Prime Minister. Mr Keating's election speech was powerful, but in a way that reflected as much the closeness of the battle as his confidence in its outcome.

With previously crucial policy differences over health, the environment and industrial relations now blurred, Mr Keating's difficulties in this election have increased. One of his responses yesterday was a broad swipe at the Coalition for changing its position. "Mr Howard," he said, "has always opposed those things which Australians are committed to — things like Medicare, the environment and the social safety net. He now pleads that he has seen how Australians like them, and has therefore changed his mind".

This personalisation of policy was taken further. Mr Keating attacked Mr Howard's honesty for linking the Coalition's $1 billion [Australian dollars] environment policy to the one-third sale of Telstra, and more broadly: "(It) is not honest to offer one policy as a bribe to win support for another. And it is difficult to trust a man who denies his past". By making the leadership issue so personal Mr Keating has taken a risk. His ringing denunciations and heavy ridiculing of Mr Howard's team might please Labor's most devoted supporters. But such exaggeration will not necessarily impress the uncommitted voters Labor badly needs to win over.

Mr Keating also sought to mark off Labor from its opponents by revisiting the republic. The problem here for Mr Keating is to make the republic something more than a peripheral question. He cannot be said to have succeeded yesterday. Public opinion is still roughly equally divided on the question of a republic. Debate on the republic, bogged down on questions of ways and means, is unlikely to be activated by Mr Keating's new promise to hold a non- binding plebiscite within the first year of a new Labor Government, rather than put Labor's preferred constitutional model for a republic directly to a referendum without further debate. Mr Keating says the question of a republic "has been one of several controversial issues we have confronted in recent times". His problem is that too many people are likely to say that the republic was not an issue at all until Mr Keating made it one.

On much firmer ground yesterday, Mr Keating emphasised Labor's record since 1993 in reducing unemployment. "We aimed at 500,000 new jobs and we have delivered 714,000, 500,000 of them in small business," Mr Keating said. His claim that there will be another 600,000 new jobs over the life of the current [government-union] Accord is reasonable, though his confidence in reaching the target of 5 per cent unemployed by the turn of the century is less so. Mr Keating's record on unemployment is something he can take some pride in, even if, as he himself said yesterday, the fact that there are still 94,000 young Australians still looking for work and 750,000 unemployed means "there is no cause for self-congratulation". That is a rare concession to modesty by Mr Keating in his otherwise self-confident and urgent appeal for a fresh mandate.

Australia: Further on Prime Minister's Election 'Campaign Launch'

BK1502050896 Sydney THE SYDNEY MORNING HERALD in English 15 Feb 96

[Report by Michael Millett and Tony Wright — received via Internet; all dollar figures in Australian dollars]

[FBIS Transcribed Text] The Prime Minister promised a national vote within a year to determine support for a republic in an austere campaign launch yesterday which commits Labor to new policy measures averaging just over $100 million a year.

In a pointer to Labor's tactics over the remaining 16 days of the campaign, Mr Keating used his speech at the World Congress Centre in Melbourne to extensively attack the Opposition Leader, Mr Howard, and to plead for a renewed mandate.

He told his selected audience, including the former Prime Minister Mr Gough Whitlam and two former NSW [New South Wales] Labor Premiers, Mr Neville Wran and Mr Carr, he had shunned the traditional launch practice of offering a "swag of new policies".

The Government had already set out an ambitious program, including the republic, the security pact with Indonesia and statements on the environment, housing and innovation.

"It is for the Australian people to judge us," Mr Keating said.

"If they judge us on our record, I believe they will decide that we have earned their trust again. And not just for what we have done, but for what we are determined to do — for what we believe in, for the future of Australia."

Mr Keating said Australia was uniquely placed to engage in the Asian region and would pay dearly if there were a change of government.

"The truth is we either grasp the opportunity now, or fail. The pace and momentum must not be lost, for if the fire goes out, not only is it unlikely to be relit, but the opportunity will be lost and we will repent in leisure."

In another departure from convention, Mr Keating attacked Mr Howard, saying the public could not afford the risk of electing a man whose judgment was so flawed.

"The fact is, while Labor has a vision for Australia in the 21st century, John Howard's vision extends no further than March 2 1996. While Labor has been repositioning Australia for the future, John Howard has been flat out repositioning himself to escape his past."

Mr Howard, campaigning in country Victoria, accused Mr Keating of "American-style character assassination" and said his speech contained "plenty of arrogance, plenty of vitriol but little of relevance to families, small business or the unemployed".

The proposal for a plebiscite — a non-binding public vote — represents a tactical shift by the Government in its bid for a republic by 2001.

The ballot, to be put within the first year of the new parliament, would be one question: "Do you want an Australian to be Australia's head of State?"

Labor strategists said the plebiscite was designed to kickstart the republican campaign by getting the public to focus on the central issue. It would also flush out the Opposition.

In marked contrast to Labor's 1993 launch — which involved proposals totalling $1.1 billion to counter the appeal to middle- class families of the Fightback tax cuts — Mr Keating yesterday announced only one new policy — an extra $300 million over four years to put computers into schools.

Cook Islands

Cook Islands: Diplomatic Relations Established With Pretoria

BK1302085096 Melbourne Radio Australia in English 0500 GMT 13 Feb 96

[FBIS Transcribed Text] The Cook Islands has established diplomatic relations with South Africa. The Cooks' high commissioner to Australia, (Vincent Inglan), says its an historic decision because of the first time Raratonga has established relations with an African country.

Meanwhile, the Cooks foreign minister, Inatio Akaruru, says the government hopes to achieve its diplomatic goals by working through organizations such as the United Nations.

New Zealand

New Zealand: Return of Plutonium to U.S. 'Unnecessary'

BK1002090696 Christchurch THE PRESS in English 9 Feb 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] The Christchurch-based National Radiation Laboratory has dismissed as unnecessary demands that plutonium brought to New Zealand 10 years ago for experiments be returned to the United States.

The Alliance's [group of opposition parties] spokesman on disarmament, Keith Locke, yesterday urged that the plutonium, brought to Christchurch for scientific experiment at the University of Canterbury, should now be sent back to the US for disposal.

"We shouldn't have anything to do with plutonium. Not only is it very toxic but it is used to produce nuclear bombs," Mr Locke said.

"As a nuclear-free country and a disarmament advocate, we should be setting an example."

The director of the National Radiation Laboratory, Andrew McEwan, said yesterday that no serious thought had been given to sending the plutonium back because it was being stored safely in special facilities.

The laboratory acted as the national repository for radioactive materials, he said.

The mass of the plutonium used in the university experiments was only 80 g [grams], small enough to fit into a pill box.

The plutonium was sealed, in even smaller amounts, within concrete inside 1-litre metal drums.

These drums were "totally inert" and the radiation levels outside the storage area was well within limits for public exposure, Dr McEwan said.

"It's been here for 10 years and it is not likely to be disposed of for another 20 years or so, as long as the store remains in operation.

"The stuff used at the university is not unique. Similar amounts are used around the country for industrial purposes."

Radioactive cobalt, however, which was used for cancer therapy in New Zealand in much larger amounts and which was many times more dangerous, was sent back to its overseas suppliers, Dr McEwan.

New Zealand Editorial on Prime Minister's Criticism of Australia

BK1002091296 Christchurch THE PRESS in English 9 Feb 96

[Editorial: "Tasman Gibes" — received via Internet]

[FBIS Transcribed Text] Several people have pointed to the irony of Australia exporting uranium but opposing the spread of nuclear weapons. It is quite another thing for the Prime Minister of New Zealand, Jim Bolger, to point to it in the middle of an election campaign in Australia. The issue is highly relevant to the campaign because the Australian Government has just announced what it calls the Canberra commission on the elimination of nuclear weapons. Mr Bolger's expostulation will give comfort to Australia's Liberal-National Party Coalition, though the Coalition might not publicly endorse what the Prime Minister of New Zealand says, for two reasons. One is that there are probably not too many votes in Australia for a politician endorsing the views of a New Zealand prime minister. The other is that the Coalition might be caught in the bind of wanting to be seen to be against nuclear weapons but wanting to continue to export uranium. Nevertheless, the Coalition will be able to sit back and allow some of its election running to be made by a National Party prime minister of New Zealand.

The issue has been used by the Left of the Australian Labor Party [ALP] against the party leadership. Mr Bolger almost certainly knows that, and if he does not he could have easily found out. In saying what he did he was being more than deliberately provocative — closer perhaps to seeking to create mischief.

The irony he pointed to is not wholly grounded in fact. For many years a section of the Australian Department of Foreign Affairs and Trade has dealt with nuclear safeguards, and very specific and stringent conditions are attached to the export of uranium. Not only that, but Australia monitors what happens to its exported uranium. The safeguards policy takes into account the reliability of the countries to which uranium is being exported, whether all the material exported finds its way to that country and does not get stolen or otherwise diverted, and whether the importing country has adequate systems in place to make sure that the spent uranium from nuclear power plants does not find its way into nuclear weapons.

The Bolger comment was made in the context of rough politics, not precise criticism. He was clearly irritated. The causes are apparent.

In the first place, the Prime Minister had not wanted New Zealand to become involved in the Australian election campaign, as has happened on a number of occasions, particularly over industrial relations. The ALP criticises New Zealand's industrial relations and the Coalition praises them. New Zealand comes in for tough comments that the New Zealand Government does not like.

In the second place, New Zealand was not originally included in the South Pacific Forum group that went to Paris to try to persuade the French Government not to test in the Pacific. It could be argued that Australia meant no particular snub to New Zealand — that the members were chosen according to their positions within the South Pacific Forum. After representations by Wellington, Australia grudgingly included New Zealand.

A third cause of Mr Bolger's irritation was that no New Zealander was included in the Canberra commission on the elimination of nuclear weapons. Since Australia is acting alone on the issue and putting up the money for the commission it is entitled to ask who it likes, and no New Zealander might have been judged to have fallen into the membership profile Australia was looking for. Nevertheless, nuclear politics is a sensitive issue in New Zealand and Mr Bolger would have been pleased to have had a New Zealander included.

A comment made by Richard Butler, Australia's United Nations representative, about New Zealand "grandstanding", and David Lange's column about the commission ("The Press", Feb 6), may also have irritated Mr Bolger. Add to this a general lack of rapport between Mr Bolger and Paul Keating and the mixture becomes less than explosive but undoubtedly bubbly.

So far probably not too much damage has been done to relations between New Zealand and Australia. Because John Howard, leader of the Liberals in Australia, has long had an ambition to adopt policies such as those embedded in New Zealand's Employment Contracts Act, and because the ALP has powerful links to industrial labour, further sharp comments seem almost inevitable before the election campaign plays itself out. Because New Zealand has an election this year and a lot of politicians are fighting for their political lives, it is likely that comments will fly both ways across the Tasman.

It is a pity that Mr Bolger set such a tone when it would better become him to rise above such exchanges and leave them to lesser mortals, but to err is human. It will not, however, be from divinities that future Tasman governments and relations will be formed. That being the case, the time calls for coolness, and the Prime Minister should give the lead.

New Zealand: Politicians Debate Changing Name of Waitangi Day

BK1002091096 Christchurch THE PRESS in English 9 Feb 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Support for Mike Moore's call for Waitangi Day to be renamed New Zealand Day is cutting across party lines, with Selwyn National MP David Carter endorsing the suggestion.

The Christchurch North member of Parliament said this week that Waitangi Day should be renamed to acknowledge New Zealand's growing multi-culturalism.

New Zealand First leader Winston Peters spoke out against the idea, which he said was unnecessary.

Mr Carter said he supported the idea and that the national day should be one that celebrated New Zealand's total nationhood, including all cultures, not only Maori and pakeha [white]. "The day should mark New Zealand's nationhood above all else," he said.

Waitangi Day was contentious for New Zealanders and the focus on the agreement between Maoris and the Crown did not make the day significant for other New Zealand cultures."

New Zealand Day could be marked by a celebration held in a different town each year, decided by rotation.

Mr Peters said he did not support the idea which, if it resulted in the New Zealand Day date becoming February 6, would lead to legitimate charges of an attempt to "sidestep some fundamental issues".

New Zealand: Proposed Bill on Intelligence Agencies Viewed

BK1002093896 Christchurch THE PRESS in English 6 Feb 96

[Editorial: "Watching the SIS" — received via Internet]

[FBIS Transcribed Text] The questions raised by the Intelligence and Security Agencies Bill are not whether New Zealand should have a secret service at all, but whether the definition of the service's duties, and the safeguards, are sufficient for a developed democratic society. All developed and democratic societies need some protection by a secret service: they have their own secrets to protect, and they often have the secrets of others to guard also. Ideally it would be better to be overt, and for matters to be dealt with by police or similar less shadowy organisations, but these are not the rules of the game. To be naive would mean that the country would be taken advantage of, to its own danger and to the danger of others.

The problem for the State has always been to make sure that such an organisation, the activities of which are outside the easily observable, does not become a law unto itself. The possibilities have given rise to incidents in various countries and have been the subject of very many spy thrillers, as well as non-fiction descriptions of the activities of intelligence services. The notion of a State within a State has fired imaginations and brought fears. Sometimes it has created conspiracy theories; sometimes the conspiracies have been shown to have a foundation of truth. New Zealand has not been immune to this.

Some decades ago members of the Security Intelligence Service [SIS] were found to have links with the weekly tabloid "Truth", which published articles serving the interests of the SIS. The service exposed itself to the charge that it was part of what was known at the time as the "great Kiwi clobbering machine". The citizens of a country need protection from such manipulations. Happily the service reformed itself and Sir Guy Powles, the expert in international law who became New Zealand's first Ombudsman, made an extensive study of the service, and many of its faults were corrected.

Like the roles of many other secret services throughout the world, that of the SIS has been under scrutiny since the Cold War virtually ended with the collapse of communism in Eastern Europe. The Intelligence and Security Agencies Bill is the New Zealand Government's attempt in the new security environment to change the activities of the SIS and those of the Government Communications Security Bureau.

Some of the changes make sense. A parliamentary committee on which the Leader of the Opposition and three other members of Parliament, as well as the Prime Minister, will sit will oversee the activities of the SIS and the Government Communications Security Bureau. This should remove suspicion that a Prime Minister could use the SIS for political advantage. It should also mean that various parties will have more insight into domestic and external security developments. The bill also institutes the office of Inspector-General of Intelligence and Security, a position which can be held only by a former judge.

The inspector-general will have responsibility to inquire into whether the activities of the intelligence agencies are within the law, into the propriety of the activities, and to inquire into any complaint by anyone who thinks he or she might have been adversely affected by the activities of government secret services. In the past some of these functions have been carried out in some fashion; the bill makes them more open. Both the new Intelligence and Security Committee of Parliament and the post of inspector-general should provide some of the checks and balances such organisations need.

A new definition of security is more worrying. The 1969 New Zealand Security Intelligence Service Act defined security as "the protection of New Zealand from acts of espionage, sabotage, terrorism, and subversion, whether or not it is directed from or intended to be committed within New Zealand". That seems reasonable. The new bill redefines security to include the "ensuring of New Zealand's international well-being or economic well-being..." That seems very broad. When he introduced the bill to Parliament the Prime Minister, Jim Bolger, justified the change by arguing: "...in the post-Cold War era the present definition has become outmoded. New Zealand's interests have become more broad and, as has been noted, more complex issues with an international reach, such as weapons proliferation, threats to sensitive proprietary and strategic information and technology, and international organised crime, have shaped the international security environment."

Put like that the change seems understandable. Certain industrial information and certain techniques are at the heart of a country's economy. It is plain that the SIS is to have a role in industrial counter-espionage. Considering the restraints of the watchdog functions of the new parliamentary committee and the inspector-general perhaps the intelligence agencies will remain focused on the issues the Prime Minister mentioned. That cannot be guaranteed. Many a prejudiced and suspicious person — and to a certain extent SIS officers are paid to be suspicious — would consider all kinds of legal activities to be against the interests of the State, and therefore to fall within the definition of New Zealand's "international well- being or economic well-being".

Could someone openly advocating a national or local strike be regarded as affecting New Zealand's well-being? Or if someone was openly advocating the investigation of some international activity that might be dubious — say the Winebox affair [scandal involving questionable financial transactions through the Cook Islands] — would that be caught by the broad new definition of security? Or would the broader definition mean that activities such as those in the Winebox affair fall within the investigations of the changed SIS? News reports sometimes disclose matters a government would rather not have aired. Sometimes ministers say things about another country that damage relations with that other country. The utterances and the reporting of them are legal, even if they could be said to affect New Zealand's international well-being. As the bill now stands it might be possible to justify an investigation of the original comment and any reporting of it.

Most of the bill makes sense, and the Government has no dark purposes. That is despite the impression created by its own handling of the bill, which was introduced just before Christmas and was open for submissions until only the end of January. Granted that it wanted the bill to be adequately prepared before its introduction, the Government would have been more sensible to have kept open the public submissions for another month. However, that is past and it will now be up to the select committee to make the changes. The committee needs to think hard about the redefinition of security. Law should be worded so that it is not be able to be turned to improper ends, however well-intentioned the original purpose. Catch-all definitions should not be used to stifle proper discussion, or cause an investigation by a State Intelligence agency of totally lawful activity. The committee needs to clear this up, both to reassure the public about the activities of the SIS, and for the sake of the officers who work for the country's secret agencies.

Papua New Guinea

Papua New Guinea To Protest U.S. Patenting of Cell Sequences

LD1302161896 Melbourne Radio Australia in English 0800 GMT 13 Feb 96

[FBIS Transcribed Text] A Papua New Guinea [PNG] diplomat says Port Moresby is to protest to the United States over moves there to enforce a worldwide patent on a human cell sequence found in the blood of a remote PNG tribe. The PNG high commissioner to New Zealand, Damien Gamiandu, said his government was not happy with the attempt by Washington to secure the patent, a move he described as immoral and unethical.

The patent involves the cell sequence from the blood of 24 men and women from the Hagahai tribe, which lives in a remote area of Madang Province. Identifying a new cell sequence allows scientists to develop genetic tests to screen other populations from a variety of diseases. Mr. Gamiandu said the Hagahai people could not have given their informed consent when samples of their blood were collected.

The decision by the Americans to secure the patent has also been condemned by a New Zealand specialist on indigenous intellectual property rights, Arowa Mead.

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